Accountability, governance, and reform in the International Financial Institutions[1]

Ngaire Woods,
University College,
Oxford
ngaire.woods@univ.ox.ac.uk

ABSTRACT

In recent years both the IMF and the World Bank (the IFIs) have become more transparent and more participatory. Yet they are still under pressure from governments and non-governmental organizations (NGOs) alike to become more accountability. This paper dissects the core components of accountability: transparency, compliance, and enforcement. It explains the way vertical accountability is arranged through representation on the Boards of each of the IMF and the World Bank, highlighting the many flaws in this system. The paper then discusses how these gaps in accountability are being magnified by widening mandates and conditionalities of the IFIs. As new stakeholders are created by the wider activities of the institutions, these stakeholders are, in turn, demanding more opportunity to hold the IFIs to account. The paper recommends that the IFIs need to consider a series of changes in governance at the level of staff, management, the Executive Boards, and in relations with member countries. However, the paper ends by noting that even with improvements, there will always be strong limits on how accountable the Fund and Bank might be. For this reason, their activities should be harnesses strictly to those for which they can legitimately claim to be accountable.

[1]With thanks to Narendra Jadhav, Abbas Mirakhor, and G-24 members for extremely useful comments on this paper at the G-24 meeting in Vienna, September 2000. The research for this paper, commissioned by the G-24 also assisted in the preparation of shorter article for a wider audience: `Making the IMF and the World Bank More Accountable=, *International Affairs* (January 2001).

Introduction

The International Monetary Fund and the World Bank are under continuing pressure to change. After a decade of significant reform, they are still accused of being overly secretive and insufficiently unaccountable. It is now widely believed that both institutions should be more accountable, more transparent and more participatory, not just as a matter of better public relations, but in order to improve their own effectiveness. To quote the G7 Finance Ministers in Fukuoka, 8 July, 2000: `To be effective, the IMF and its activities must be transparent to the public, accountable to its members and responsive to the lessons of experience and external and independent evaluation=(G-7 2000).

The debate about reforming the World Bank and the IMF raises many issues of governance, including whether or not the present voting structure of the institutions should be retained; whether their mandates should be enlarged or narrowed; and to whom and for what they should be accountable. These issues are discussed in this paper. The primary focus of the paper, however, is on accountability which has been wrongly taken for granted in the present debate. Curiously, although it has become the catchword of all statements about reforming the international financial institutions (IFIs), it has yet to be properly defined or dissected. This paper attempts to fill that gap, analysing closely the concept of accountability and applying it to the IMF and the World Bank in light of their changing mandates and structures of governance.

In the first section of the paper, the core elements of accountability are elaborated and applied to the two international financial institutions. In section two, weaknesses in the existing structure of accountability in the IMF and the World Bank are analysed. These are further elaborated in section three which details flaws in representation on the Boards, and section four which discusses new problems of accountability deriving from the broader conditionality being promulgated by the institutions. Section five analyses recent reforms aimed at bolstering horizontal accountability and section six examines the implications of recognizing groups of affected people and non-governmental organizations (NGOs) as stakeholders in the institutions. Finally, section seven concludes with some recommendations for improving accountability within the organizations.

1. The concept of accountability and its application to the IFIs

Within democratic political systems, accountability is a term used to describe a range of mechanisms which aim to prevent the abuse or misuse of political power (Schedler et al, 1999). These measures range from elections, through to the appointment of ombudsmen, and judicial review. The aim is to ensure that political actions are predictable, non-arbitrary, and procedurally fair, that decision-makers are answerable, and that rules and parameters on the exercise of power are enforced.

Accountability differs from oversight, monitoring, or auditing in that it involves some element of control, exposure and potential punishment. Just as it `takes two to tango=, actions on two sides are required to ensure accountability. On the one side, public officials or agencies have a responsibility to provide information about their actions and decisions, and to justify them to the public and to any relevant specialized agencies to whom they must

account. On the other side, electors and specialized agencies to whom public officials have to account, have a responsibility to impose sanctions on officials who violate their public duties. It is worth highlighting that mechanisms of accountability do not replace the exercise of discretion or indeed decision-making itself by public officials. Rather, accountability exacts answerability from officials and the enforcement of limitations on their actions, whether in respect of actual outcomes or the processes by which decisions are made (Schedler 1999).

Figure One: Three core elements of accountability

There are two forms of accountability in operation in most modern political systems - `vertical=and `horizontal=- both of which have applications to multilateral institutions such as the IMF and the World Bank. First there is the role of representatives or elected officials who can be periodically retained or dismissed from office through elections. This `vertical accountability=depends upon the existence of free and fair elections or a recognized and legitimate claim to representative office. Politicians are thus held to account by voters. In turn, these elected officials are expected to hold other branches of government to account, thereby spreading accountability across government.

The importance of accountability for any representative form of government is perhaps self-evident. It bears remembering that accountability has been a cornerstone of virtually all definitions of democracy or representative government since the evolution of Athenian democracy (Elster 1999). Indeed, modern conceptions of political accountability can be traced to the writings of Plato, Aristotle, Polybius, Cicero and Augustine all of whom described the ways in which rulers ought to be subordinated to systems of law and mutual checks. In modern times, to quote Robert Dahl: `a key characteristic of a democracy is the continued responsiveness of the government to the preferences of its citizens=(Dahl 1971: 1).

Yet accountability within representative government has been difficult to assure. In the first place, citizens rarely use their votes to sanction officials for abuse, neglect, or incompetence (or indeed to reward the opposite). Rather voters often use elections to express party loyalty or enthusiasm for a future set of policies (Przeworkski, Stokes & Manin 1999). Furthermore, voters seldom have the requisite information or capacity to follow up information they do have. In the words of one scholar, the control of politicians by voters faces `problems of information, monitoring, and commitment=(Maravall 1999). For these reasons, representation in and of itself is insufficient to hold government to account. Democracies depend in equal strength upon other kinds of agencies of restraint or mechanisms of `horizontal

accountability. For example, judges play this role in reviewing official decisions and overturning them or sanctioning the officials responsible. To paraphrase the founding fathers of the American Constitution, agencies of horizontal accountability oblige the government to control itself, and keep rulers virtuous while they continue to hold public trust.

In the international financial institutions, both vertical and horizontal accountability are present and vital to the functioning and legitimacy of the institutions. The public officials who make decisions within these institutions include the staff, the management, government representatives who are members of the Boards of each organization, and the governments themselves who instruct their representatives. In respect of each of these actors one might ask: to whom are they accountable, and how?

The formal constitutions of both the Fund and Bank set out a very simple structure of accountability which is essentially a vertical one. The staff who undertake research and prepare recommendations within the IMF and the World Bank are appointed and can be dismissed by the management and ultimately the head of each organization. The management, or more precisely the President of the World Bank and the Managing-Director of the IMF are appointed and can be dismissed by the Executive Board. The Executive Board comprises Directors selected and sent by governments to represent them (although most countries are not directly represented, but are grouped in constituencies represented by one Executive Director). Overseeing the Directors is the Board of Governors which meets once a year and gives broad guidance. The IFIs can thus be said ultimately to be accountable to member governments who are, in turn, accountable to voters.

2. Weaknesses in the vertical accountability of the IFIs

This chain of representative accountability is a long and imperfect one. Weaknesses at virtually every link highlight its inadequacies for holding multilateral institutions democratically to account. Principal weaknesses include: the unequal representation of countries by Executive Directors; the weak role played by Directors vis-a-vis the activities of the organizations; the undemocratic process by which the heads of the organizations are selected; and the gaps and imperfections in the accountability of staff to management.

Figure Two: Vertical accountability and its weaknesses in the IMF and the World Bank

The structure of representation and vertical accountability	**Criticisms and flaws in the existing structure**
Voters *who elect* **Member Governments** *whose Minister of Finance or Central Bank Governor sits on* **Board of Governors**	Insufficient accountability of these agencies to voters. Unequal representation on the

which oversees the work of the	Boards.
Executive-Directors who comprise Executive Board	Inadequate oversight of management and staff.
which appoints and oversees the work of the	
Head of Organization and Senior Management	Insufficiently transparent and participatory process of appointment.
who appoint, dismiss, and oversee the work of	
Staff and Officials of Organization	Inappropriate structure of incentives

Executive Directors are the vital link from countries (and voters) to the IMF and the World Bank. Yet only the largest member countries (USA, Germany, France, Japan, UK, Saudi Arabia, Russia, and China) are directly represented by their own Executive Director. By contrast, all other countries are grouped within constituencies represented by just one Executive Director. Once the group has elected a representative, no one country has control over that `elected=Executive Director who remains in place for their full term of office. By contrast, the `appointed=Executive Directors sit at the pleasure of the governments they represent.

The voting power of each country depends upon its quota which is determined by a formula which attempts to translate relative weight in the world economy into a share of contributions and votes (and in the IMF, access to resources) in respect of each institution. The formula has been criticised for some time (Wagner 1995, Buira 1996), indeed its technical elements have recently been reviewed for the Managing-Director of the IMF (IMF 2000c). More generally, however, dissatisfaction with the voting structure of the institutions, reflects a deeper unease about the relationship between the governance structure and the expanding mandate of the organizations. Before elaborating this unease, it is worth spelling out other weaknesses at the level of the Executive Board.

The Executive Board appoint and oversee the senior management and work of the institutions. In practice, however, the Board do not very tightly control the management and staff of the institutions. Members of the Executive Boards argue that it is not possible for them to prepare positions on the number of papers and issues brought to meetings. One could add to this the fact that some Executive Directors are in the job only for a short time: especially in multi-country constituencies where there is regular rotation. Further disadvantaging these Directors (many of whom are from developing countries) is `the firm impression among developing countries that the G-7 countries have disproportionate access, information, and influence=on the Boards of both institutions (IMF 1999a, p.34), rendering their own attempts to exercise influence - no matter how well prepared - rather pointless.

There are two other more controversial arguments about the weakness of the Board=s oversight and control over the operations of the institutions. First, one implication of the

`collegiality=of the Executive Board is that Board members are not only protective about the countries they represent, but they expect (and reciprocate) similar deference from their colleagues on the Board. Hence, in the words of the External Evaluation into Surveillance, what is supposed to be `peer pressure=in fact becomes `peer protection=(IMF 1999a, p.34). Furthermore, there is some complicity of the staff and management in the weak role played by the Executive Board. Staff and management seldom divulge internal disagreements to the Board, tending instead to attach `considerable importance=to presenting a unified view in Board discussions (IMF 1999a, p.34). The result is that real debates over policy and issues are conducted outside of the Board within the organization prior to Board meetings (See similar criticisms made of the Executive Board of the World Bank: World Bank 1992a).

Below the Executive Board lies the senior management in each of the international financial institutions. Appointed by the Executive Boards, it is to these heads of the organizations that all staff must eventually account. Yet here there is another problem in the chain of accountability of the institutions.

In neither the Bank nor the Fund is there an open and transparent process of appointment: whether aimed at achieving political representation or technical excellence. Rather a fifty-year-old political compromise means that in each organization the head is appointed by convention according to the wishes of the United States (in respect of the World Bank) and Western Europe (in respect of the IMF). This process came under scrutiny during the last appointment of the Managing Director of the IMF when Germany=s first favoured candidate failed to win support from other major shareholders leading to much adverse press and policy attention not so much to the personalities involved but to the lack of transparency and accountability in the process of selection. One result has been that in 2000, the IMF established a committee to propose recommendations for improving the appointment procedure for the head of the organization. It seems unlikely, however, that this issue will proceed unless both the United States and European countries give up their anachronistic privilege in this regard.

The staff of both organizations are accountable to the management. Yet this final link in the chain of accountability is also flawed. Both organizations have been criticized for inappropriate incentive structures. In other words, it has been argued both inside and outside the organizations that the management hold the staff to account for the wrong things or at least in wrong priority. Bank management, for example, have been criticized for over-emphasizing quantity as opposed to the quality of loans in appraising the work of staff. Within the IMF, both internal and external evaluations have criticized the culture of the institution for discouraging staff from voicing disagreement with senior Fund officials as well as senior country officials. (IMF 1999a, p.36 & IMF 1999b) More specifically a recent review of the IMF=s research activities points to a number of changes in incentives which highlight problems with the existing structure of accountability. For example, they suggest: creating incentives for collaboration between departments; permitting primary authors directly to present their work to the Management and Executive Board; creating a more effective performance evaluation system; reducing the long and bureaucratic reviewing process; encouraging participation in external conferences, and greater collaboration with the World Bank; and reducing hierarchy so as to improve collegiality (specifically in the Research Department) (IMF 1999b).

Overall, vertical accountability - through the chain of representation described above - suffers from being such a long and indirect one with weaknesses at every stage. At its core the legitimacy of the multilateral institutions depends upon links with member governments. Yet, as alluded to above, these links are proving anachronistic.

3. The changing stakes of members in the institutions

Voting shares in the World Bank and IMF are allocated according to rules formulated in 1944. At that time, members of both institutions were expected to be both contributors and borrowers (with the exception of the United States). European countries expected to draw both upon the IMF for assistance in crises and on the International Bank for Reconstruction and Development (later part of the World Bank group) for post-war reconstruction and development. Hence, `shareholding members=were also `stakeholders=in the work of the institution. Furthermore, the accountability of the IMF was largely `constitutionalist=with its duties and actions carefully proscribed by its Articles of Agreement. Neither the Bank nor the Fund were given an explicit mandate to enter into policy conditionality and to attempt to alter in a far-reaching way the economic structure of a member=s economy.

These founding presumptions of the IMF and World Bank were rapidly superseded by events. The role of the World Bank (then actually the IBRD) was transformed in 1947 when the Marshall Plan was announced to deal with reconstruction in Europe. This left the World Bank lending exclusively to developing countries. In the 1970s the IMF=s role changed dramatically when the Bretton Woods system of exchange rates collapsed. By the 1980s, both institutions had become heavily involved in conditionality and policy-based lending. Throughout this time, the membership of both institutions more than trebled as decolonization brought a host of new, independent states into their midst.

The result of these changes has been dramatically to expand the `stakeholders=in the institutions. The original stakeholders made large contributions to the basic capital of the institutions. A subsequent group of stakeholders have become those who pay most of the running costs of the institutions through loan charges (non-concessional borrowing countries). A further (overlapping) group of stakeholders are those whose cooperation is vital if the IMF and World Bank are to fulfil their respective purposes. This now embraces a much wider, indeed universal, category of countries.

By 2000, in the wake of the financial crises of the 1990s, the powerful industrialized members of the IMF and the World Bank had cast the institutions into the role of ensuring `forceful, far-reaching structural reforms' in the economies of all members in order (among other things) to correct weaknesses in domestic financial systems and ensure growth and poverty alleviation.(IMF, 1998a) The result is not only that all members have a high stake in the institutions but that equally the institutions have a high stake in gaining a deep political commitment to change in all member countries. Yet the stake of countries whose commitment is now being sought is not reflected on the Executive Boards of either the Fund or the Bank - indeed it has even been diminished.

When the IMF and World Bank were created, there was a clear and explicit concern to ensure some equality among members to reinforce the `universal=and `public=character of the institutions as opposed to giving them a structure which simply reflected economic and

financial strength in the world economy. (Gold, 1972, p.18 and pp.173-4) This was achieved by giving every member of the institution 250 `basic votes, (Horsefield, 1996) to which were added weighted votes apportioned on the basis of the quota (mentioned above). In this way two kinds of stake were recognized: to a degree every member had an equal stake in the institution, and to a degree the different contributions and influence of states was also recognized. As I have argued elsewhere, this balance which was explicit in the foundation of the institutions, has subsequently been dramatically eroded. The proportion of `basic votes' to total votes has diminished from its high point of 14% of all votes in 1955, to around 3% in both the Fund and the Bank.(Woods 2000)

The problem of accountability in the Fund and Bank today is greatly exacerbated by the fact that their operations have expanded dramatically, yet their representativeness and accountability to those they most deeply affect has not. The institutions were created to promote cooperation and to enforce norms and rules among states. Their structure of governance is adequate to that task. Today, however, both are being asked to promote and to enforce policy within certain categories of their member states. `Deeply domestic' policies and outcomes can not be altered purely by external pressure or *fiat* from abroad. To quote the World Bank=s 1999 Annual Review of Development Effectiveness: `policy reform and institutional development cannot be imported or imposed= The only agency which has the capacity to ensure, for example, that banking supervision guidelines, accountancy practices or the rule of law are systematically respected within any country is the state and the government of that country. Without the full ownership and commitment of a government, policies will simply be altered for short-term incentives, reverting as soon as those incentives are exhausted. This finding has been demonstrated at great length by research in each of the IMF and the World Bank.

In summary, as the international institutions encroach more upon the policies of elected governments, they will need to be seen to respect basic principles of democracy. The governments they persuade will have to be able to explain to their own electorates why it is that the rules of international organizations represent their interests and ought legitimately to be implemented. Such governments will have to be able to point to their own participation in formulating the new norms (cf the primacy given to UK participation in drawing up the rules in public debate about the merits of the EU). The implication is that international financial institutions - or better said, their major shareholders - will have to pay more attention to developing states and to ensuring their genuine participation.

A recent attempt to include a wider range of stakeholders in financial governance was the formation of the Group of Twenty (G-20). In 1999, the United States (with the agreement of other G-7 members) created this group to deepen dialogue with emerging economies. Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, South Korea, and Turkey have been invited to the table of discussion about global financial governance.

The formation of the G-20 reflects both the recognition that broader inclusion is necessary and also the frustration of policy-makers with large, formal fora which have proven incapable of moving issues and reforms forward. Yet there is a risk that such `by-invitation-only= groups are a form of window-dressing in which emerging and developing country officials are showcased but not genuinely consulted on the issues that really matter. Furthermore, the

exclusive focus on emerging economies in debates on international financial architecture risks further marginalizing all other developing countries and their needs of international economic organizations. Indeed, both problems and possible solutions for improving fora such as the G-20 have been well-elaborated by Gerald Helleiner. (Helleiner, 2000)

In summary, as regards the pressure on the IMF and the World Bank to take a new, ever further reaching role in developing countries, this has not as yet been accompanied by a commitment on the part of G-7 countries to ensure better developing country participation and ownership, either in the institutions or their policies. Rather, the G-7 continue to cling to their own special - and now rather anachronistic - dominant position not only as major shareholders in the institutions, but in influencing the nature and shape of the objectives, operational work, and specific country priorities of the institutions. This makes much of the rhetoric about ensuring greater `ownership=and `participation=by developing countries sound rather hollow. Yet this is not the only obstacle to the institutions successfully fulfilling a new mandate vis-a-vis emerging, transition and developing economies.

4. Accountability within countries for IFI-sponsored policies

The functions of the IFIs have greatly expanded since the 1980s, ever more deeply to affect a wide range of policies, people, groups, and organizations within developing countries. To elaborate further on this point (already made above), as Devesh Kapur and Richard Webb have argued, this growth in conditionality means that both the IMF and the World Bank embrace areas of policy it was inconceivable for them to touch prior to the 1980s. The expansion can be tracked by measuring numbers of `performance criteria=on which loans are conditional have increased: in a sample of 25 countries, there were between 6 and 10 measures in the 1980s as contrasted with around 26 measures in the 1990s (Kapur and Webb 2000). Equally, if not more revealing is the way the number of programme `objectives=being included in loans and programmes have increased, with countries now being required to undertake actions such as to mobilize, redefine, strengthen or upgrade government processes. The immediate implications of such undertakings are unclear: i.e. whether such promises can be monitored, and whether a breach would lead to the withholding of a loan. Nonetheless, some longer-run implications are fairly clear.

The new conditionality is dramatically deepening and broadening of the purview of the international financial institutions within member countries. No longer are they engaged in monitoring specific macroeconomic policy targets in the context of a crisis, or specific project loans and conditions. Both institutions are now engaging governments in negotiations which cover virtually all issues of economic policy-making - and beyond (with good governance extending into the rule of law, judicial reform, corporate governance, and so forth). This new wide-ranging domain of advice, and hence effect on a wider range of people and groups, poses two problems for accountability. First, as examined below, it highlights the formal structure of accountability between the Fund, Bank and borrowing governments. Second, as examined in the next section, the broadening of conditionality has created new groups within and across states who are claiming that the institutions ought to be accountable to them as `stakeholders=.

The Articles of Agreement of both the IMF and the World Bank stipulate clearly that each member shall deal with the institution only through its Treasury, central bank, stabilization

fund, or other similar fiscal agency; and likewise, that the Fund and Bank in their dealings with member countries, shall work only with or through the same agencies.(World Bank Article III, section 2; IMF Article V, section 1) This means that the Executive Boards of the institutions are made up of members from these agencies. So too, when Fund and Bank teams visit member countries to discuss policies and programs, their point of contact is the Finance Ministry and/or Central Bank.

These narrow links between the institutions and their member countries were understandable and appropriate when the institutions were created, for the mandate of each institution was similarly narrow. It also bears noting that this link was drawn up at a time when central banks were being nationalized, and along with finance ministries, subordinated to government control. However, the mandates of both the IMF and the World Bank have broadened and deepened, yet their formal constitutional links to member countries have not. This means that the IMF and the World Bank are negotiating with Finance Ministries and Central Banks about issues which fall more squarely within the purview of other agencies of government. This poses a sharp question as to who then become ultimately accountable (and to whom) for such policies.

The problem is that the Finance Ministry and the Central Bank are not domestically accountable for policies in areas such as health or education. Yet when Fund or Bank conditionality extends into these areas, a formal line of accountability is established between the economic authorities and the IMF or the World Bank: i.e. the IMF and World Bank get to hold the authorities to account for their promises in respect of policy in areas such as health or education. The question we must ask is whether this formal line of accountability then trumps or risks extinguishing local lines of accountability - such as that of the Minister of Health to the government and the electorate of the country in question. If in effect local or democratic accountability is sacrificed or at least overridden by the external line of accountability, the IFIs are replacing a form of accountability which is both less legitimate and sometimes less effective (see Collier, 1999), for one which has at least the potential to become both legitimate and effective.

It bears noting that an additional risk in this modus operandi is that broad areas of policy will be subjected to the narrower focus, priorities and analysis of the Central Bank and Finance Ministry - even though neither necessarily have the desire, mandate, accountability, nor expertise to evaluate and formulate policy in respect of these broader issues. In a subtle way, this point is underscored by a remark in the External Evaluation into IMF Surveillance, where the evaluators found that `the most favourable appraisals came from those whose lines of work bore close similarities to the Fund=s - central banks, and, to a lesser extent, finance ministries= (IMF 1999a, p.35) Turned on its head, this statement emphasizes the degree to which the Fund=s core mandate remains that shared with central bankers. Yet at the same time, the institution is now formulating directions for policy in areas outside of this formal mandate and expertise.

In the extreme, the problem becomes that succinctly expressed by Martin Feldstein in response to the IMF=s intervention in East Asia: `The legitimate political institutions of the country should determine the nation's economic structure and the nature of its institutions. A nation's desperate need for short-term financial help does not give the IMF the moral right to substitute its technical judgements for the outcomes of the nation's political process'.

(Feldstein 1998, p.24) The accountability problem underscored here is: who makes economic policy decisions? By whose rules? And under whose scrutiny?

A final issue regarding accountability for economic policies formulated in consultations with the IMF and the World Bank is that the agencies each institution deals with in member countries are often not particular accessible (in both developed and developing countries) to other government agencies, let alone parliaments, civil society, trade unions, and business groups. In other words, voters and other government agencies are unlikely to know precisely what the negotiating agency is doing, or to know details of their country=s relations with the IFIs and/or the positions being taken by their country=s Director on the Executive Board. This further impedes the level of domestic accountability upon which the overall accountability of the multilateral institutions depends.

The latter issue is being addressed in two ways by the IFIs. In the first place, the IFIs are reaching beyond their point-agencies and establishing relations with a wider group of `stakeholders=including non-government organizations (NGOs) within borrowing countries (as is further discussed in the next section). In the second place, both the IMF and the World Bank are now pressing governments to permit greater disclosure and publication of their policies and agreements with the IFIs, as well as to promote greater consultation about economic policy with `civil society=within countries. For example, the IMF is now releasing, with the agreement of the member governments concerned, Public Information Notices (PINs) following about 80% of its Article IV consultations, and publishing Letters of Intent (LOIs) and related country documents that underpin Fund-supported programs with respect to about 80 percent of requests for or reviews of Fund resources.

The World Bank, together with the IMF, at the behest of their largest contributors, is requiring countries wanting debt relief under the Heavily-Indebted Poor Countries initiative (HIPIC) to produce a plan as to how they intend to reduce poverty. The emphasis for the requisite Poverty Reduction Strategy Paper (PRSP) is that it be `nationally owned=and produced in consultation with `civil society=. Hence, the first three countries to qualify for this enhanced debt relief included Uganda and Mauritania each of whom had pre-existing well-developed plans for poverty reduction and Bolivia which produced an interim PRSP on the basis of a `national dialogue=which had already been undertaken and which sets out future plans for reducing poverty, and for engaging civil society in the formulation of its full PRSP.

These measures for opening up information about economic policy and for including a wider range of local actors, highlight the new sensitivity of the IFIs to concerns about accountability not just within the institutions, but within countries with whom they are working. Significantly, neither the Fund nor the Bank any longer describe their interlocutors in member countries exclusively as `national authorities=. Rather, the World Bank writes of `development partners=(World Bank 1998) and the IMF of `authorities and civil society=, and of the need for its programmes to enjoy `ownership by the societies affected=(IMF 2000b).

Further to these measures, the institutions are opening up new broader channels of horizontal accountability which are also worth examining.

5. The emergence and limitations of more horizontal accountability

The terms `constitutionalism= and `democracy= have been used to contrast horizontal and vertical accountability (Richard Sklar comments on O=Donnell 1999). For example, in the US political system, while democracy is served by the US Congress, constitutionalism is served by the Supreme Court. This simple contrast usefully highlights the way horizontal accountability comprises agencies and processes which exist to monitor and to enforce the mandate, obligations, rules and promises of institutions.

Within the international financial institutions, several agencies and processes have emerged within recent years (or been strengthened) with the aim of enhancing horizontal accountability. For example, the IMF has commissioned three independent external evaluations in the past decade and has published their reports, and is now is in the process of creating an office for independent evaluation.(IMF, 2000d).

The World Bank has an independent evaluation unit (the Operations Evaluation Department or OED) which reports to the Executive Board. The OED rates the development impact and performance of all the Bank's completed lending operations, as well as the Bank=s policies and processes and reports its findings to the Board. In 1993, in the context of a broad review of the Bank=s Disclosure Policy, access was opened up to the OED=s "Annual Review of Evaluation Results" and summaries of evaluation reports ("Précis") for selected projects. Since that time, much more of the OED=s work has become publicly available. The disclosure of OED reports does not constitute a form of accountability on its own. Rather, evaluation and then publication contribute two of the three core elements outlined in the first part of this paper (see Figure One). Enforcement is missing.

An unprecedented step (for international organizations) towards enforcement was added into the operations of the World Bank in 1993 when an Inspection Panel was created by the Executive Board. The Panel opens up the possibility for complaints to be made by any group of people able to show that: (1) they live in the project area (or represent people who do) and are likely to be affected adversely by project activities; (2) they believe that actual or likely harm results from failure by the Bank to follow its policies and procedures; (3) their concerns have been discussed with Bank management and they are not satisfied with the outcome.

The three-person Inspection Panel has powers to make a preliminary assessment of the merits of the claim, taking into account Bank management responses to the allegations. Subsequently, the Panel can recommend to the Board that a full investigation be undertaken, and make recommendations on the basis of such a full investigation. The Executive Board retains the power to permit investigations to proceed, and to make final decisions based on the Panel=s findings and Bank Management=s recommendations. The Inspection Panel thus enhances the power of the Executive Board, as well as of a wide group of affected `stakeholders= in the Bank=s work.

The most highly publicized of recent cases is that of the Western Poverty Reduction Project in Qinghai, China. The case resulted from a complaint filed by the International Campaign for Tibet (ICT), a US-based NGO, acting on behalf of local people affected the project, claiming in particular that it would harm Tibetan and Mongolian people. The final report of the inspection panel found that the Bank had failed to comply with some of its own policies including on environment, indigenous peoples and disclosure of information (World Bank 2000). The case became a notorious one in the media, mobilizing US and international Tibet

campaign groups as well as environment lobbies and supporters of indigenous groups.

Behind the media glare of such cases, a couple of serious questions of governance emerge as to the role and implications of such inspections, as highlighted in retrospect by one of the expert consultants who advised the Inspection Panel in the China case. Robert Wade points out that an initial problem with the Panel is that its `image of success is to find projects out of compliance=, he then writes that

> `since almost any project can be found to be out of compliance if one pushes hard enough, and since there is no limit to the cases that affected groups can bringC assisted by Washington-based NGOsC the Bank is likely to be deluged with Inspection Panel investigations=(Wade 2000).

The problems hinted at here are worth examining further.

The critique above touches upon a broader concern about agencies of inspection and enforcement. At the core of such systems is the question of how widely or narrowly `accountability=should be defined, and what kind of breach should trigger an enforcement action. If the `triggering mechanism=for inspection is unlawfulness, this not only presumes that actions that are legal must also be legitimate in the eyes of the citizenry, but opens up the risk that minor `legal=infractions can be used as a weapon for much larger political purposes. This point has been made in a study of accountability in which one scholar, alluding to the Clinton/Lewinsky scandal, reminds us that `minor legal infractions can be used by partisan opponents to thwart the clearly expressed preference of the public-at-large=(Philippe Schmitter in response to O=Donnell 1999) In other words - beware of fact that agencies of horizontal accountability can be abused.

A second problem with agencies of monitoring and enforcement is one of timeliness and the costs imposed by such investigations and the ongoing implications of those costs. Wade reports that the East Asia region of the Bank spent about $3 million on work responding to the panel=s investigation of Qinghai, in addition to the extra costs incurred by the Chinese government. The cost of the extra work that the East Asia region proposed to be done came to another $2.5 million. The cost of the extra work that the panel report calls for is estimated at around $4 million, or 10 percent of the total loan. Wade reports that this cost (and the fear of an inquisitorial process) mean that Bank staff are now refusing to touch projects with involuntary resettlement or indigenous peoples, because they cannot compete with other sources which do not have to take into account such high additional costs. This, he implies, is ultimately to the detriment of the disadvantaged groups the Bank is setting out to assist (Wade 2000).

It has been suggested that a better model of accountability, which avoids the problems above, might be provided by the new IFC Compliance Officer (CAO) (Wade 2000). This new ombudsman=s office was created in June 1999, after consultations with shareholders, NGOs and members of the business community to find a workable and constructive approach to dealing with environmental and social concerns and complaints of people directly impacted by IFC and for MIGA financed projects. The CAO or ombudsman and her staff are independent of the Bank and IFC and reports directly to the President of the World Bank. The emphasis of the office=s work, however, is very much dialogue, mediation and conciliation. Other than the power to make recommendations, the CAO has no formal powers. Indeed, the draft operational guidelines of the office state: `The ombudsman is not a judge, court or

policeman'

In the absence of enforcement powers, one must ask whether an ombudsman can really be considered a mechanism of accountability. Clearly the CAO office provides for transparency and monitoring. It also provides for a very light form of indirect enforcement. For this reason, it avoids the costs highlighted with the Inspection Panel above, and possibly also the incentive for users to abuse the process of accountability in the pursuit of other goals. However, it bears noting that even if such mechanisms have enough power to hold decision-makers to account, or to keep public officials `virtuous', such accountability does not replace the vertical accountability, nor override its flaws, as argued above.

The experiments in compliance-enforcement being undertaken in the World Bank and IFC, highlight the lack of horizontal accountability in the international financial institutions. Unlike political systems within countries, there is no obvious set of agencies of restraint or redress which would otherwise limit the activities of the organizations. Rather, until now, members have relied upon the representative structure as the only mechanism of account. Furthermore, within the Fund, there has yet to be any move towards independent redress or compliance-enforcement. The Independent Evaluation Office presently being created will certainly add to transparency and to the monitoring of the institution's work. However, it will not have any enforcement powers through which to enforce any accountability.

Yet both IFIs are now working in a world political system in which groups both within and across countries are becoming more effective at demanding more account of the work of international organizations: both through governments and directly from the organizations concerned. The evidence of this pressure lies in the new structures of horizontal accountability being undertaken at the World Bank which recognize, and further empower, new categories of stakeholders - the nature of whom deserves further analysis.

6. Are NGOs new stakeholders in the IFIs?

The World Bank defines the term `stakeholder' to mean individuals and groups who stand to gain or lose from a policy or project. In respect of the IFIs the term could be used to describe groups ranging from states, groupings of states, sub-state groups, or transnational non-governmental groups. In recent years both the IMF and the World Bank have undertaken several measures which particularly recognize and give stakes to non-state actors and non-governmental organizations (NGOs): through information, consultation, and participation. This is a part of trend which is set to continue, as evidenced in comments by the US Secretary of the Treasury on further reforming the Fund:

> `it should become more attuned, not just to markets, but the broad range of interests and institutions with a stake in the IMF's work. Just as the institution need to be more permeable for information to flow out, so too must it be permeable enough to let in new thoughts - by maintaining a vigorous ongoing dialogue with civil society groups and others.' (Summers 1999).

As mentioned above, both institutions today make much more information and analysis available to the general public, and thus to NGOs. More specifically, the World Bank's NGO-World Bank Committee (established in 1982) has become much more active. Both the Bank and Fund now consult with lobbying organisations in Washington DC, with grassroots

organisations in member countries, trade unions, church groups, and such like. These contacts are taking place at regional, country, and local levels. World Bank regional directors and IMF resident representatives are being told to seek out and maintain such contacts. At the annual and spring meetings both institutions have been actively involved in more dialogue and meetings with a select group of transnational NGOs. In addition to these measures which increase transparency and consultation, the institutions have also moved more recently to permitting some level of local participation by non-state actors.

It is worth clarifying the nature of relations being developed with the so-called `new stakeholders= Below, in figure three, the new relationship is tabulated in a way which highlights that mostly recent changes involve the provision of information and enhanced consultation, as opposed to participation, compliance or enforcement. The exception is the evolution of the World Bank Independent Inspection Panel and to a lesser degree the CAO in the IFC, as discussed above.

Figure Three: New relations with NGOs and non-state stakeholders

Actions by IFIs	Effect	Implications for Accountability
Transparency: More extensive information, more widely disseminated.	A wider range of stakeholders (both within government and NGOs) receive or have access to information about decision-making process and outcomes, permitting broader political pressures to be placed on decision-makers (Board and management of IFIs).	Does not provide capacity to ensure compliance or enforcement.
Consultation: Wider consultation with government and non-governmental organizations	New stakeholders are more often consulted but decision-makers within the institutions do not necessarily have to take into account their views.	No enhanced capacity to ensure compliance or enforcement.
Participation: Encouraging governments to undertake more participatory strategies. Direct opportunities for redress	Only states have direct access to decision-making process (although few have the capacity to control outcomes), however, NGOs and sub-state groups are acquiring powers to enforce procedural rules.	Enhanced capacity to hold the institutions to account through horizontal agencies of restraint(e.g. WB Independent Inspection Panel, IFC Compliance Officer)
Control: No change in control over decisions	`Major=shareholders enjoy the most control over decision-making due to: access to information; the capacity to require monitoring and evaluation; and to enforce.	Major shareholders are the best placed stakeholders to hold the institutions to account, yet are not, in turn, easily held to account by other state members of the institutions.

The table above highlights that NGOs have not taken a place as major `stakeholders=in the

institutions: they have not acquired control, nor a formal participatory role in decision-making except at the behest of their own governments. This latter qualification is an important one. For where `Northern=NGOs have allied with or used political leverage in major shareholding countries - especially in the United States - their informal power and influence has far exceeded that described above. In such cases, the position of some NGOs starts looking much stronger than that of many smaller developing countries - whose formal right to participate in decision-making is diluted by the problems of representation described above. For this reason, the recognition of NGOs as stakeholders has led to a vociferous debate about the accountability and legitimacy of the NGOs themselves - in particular among developing country governments.

In further analysing this debate it is useful to distinguish local or `Southern=NGOs within borrowing countries, and transnational or `Northern=lobbying organizations, often based in Washington DC or one of the G-7 capitals. The rationale for developing relations with each is somewhat different.

The stakes and accountability of Southern NGOs

Local or Southern NGOs are stakeholders in a direct sense of the term: they represent groups directly affected by the programs and policies of the IFIs. Their inclusion in discussions and strategy formulation is a result of the broadening of the IFIs mandates. It also reflects the problem of the formal relationship the IFIs have with governments which was described above. The IFIs are being forced to look beyond their narrow points of contact with `national authorities=to the wider `civil society=both in order to be effective and in order for their broader-reaching policy advice to be considered legitimate.

The effectiveness argument for developing relations with local non-state actors has been made in several IMF and World Bank research projects which detail the need to enhance broader `participation=and `ownership=of policy advice and programs (World Bank 1989, 1992, 1994, 1996, 1999: IMF 1997, 1999, 2000a). The legitimacy arguments are aimed both at affected groups in recipient countries and at the concerned public and political bodies in major shareholding countries. For both sets of reasons, the IMF and the World Bank are encouraging both their own local representatives and government officials (such as in the PRSP process outlined above) to develop consultative links with local NGOs. At the same time, these groups now have access to the complaints procedures described above (World Bank Inspection Panel and IFC Ombudsman).

The new relations with Southern NGOs, however, bring problems of accountability and legitimacy of their own. Foremost is the question of which `civil society groups=ought to be consulted or recognized? As Jan Aart Scholte has documented in the case of the IMF, some non-governmental groups (such as business groups) are being consulted much more than others (Scholte 1998). This poses the question: to whom are local NGOs accountable, and for what? Until now, both the IMF and the World Bank have been pursuing relations with NGOs in an *ad hoc* and reactive way. However, as Charles Abugre and Nancy Alexander have noted, one needs to consider more systematically, criteria such as the effectiveness, representativeness, internal decision-making structure, membership, and accountability of groups being so consulted (Abugre and Alexander 1998).

The problem of accountability of local NGOs is further heightened where they are given a more active role in implementation or formulation of policy. In such cases, the accountability of local NGOs ought to be compared to that of local government agencies. In the 1980s and early 1990s it was sometimes too readily assumed that the former were preferable. A decade later, it has become more obvious that using NGOs to bypass government institutions risks thwarting the `institution building=and `state modernization÷ hence, the criticism of World Bank work in Africa which undermined the capacity of governments in the region (Abugre and Alexander 1998, 114).

A final problem concerning relations with Southern NGOs is about who shapes and influences the modalities and processes of consultation with such groups. In the PRSP process described above no framework has been spelt out: there is nevertheless a risk that certain kinds of consultations become recognized in *de facto* way as preferable to others, not on the grounds that they enhance existing mechanisms of local accountability, but rather on the grounds that they please the political sensitivities and preferences of major shareholders in the IFIs. Put more simply, there is a risk that a new `Washington consensus=on the politics of participation and consultation will be forged, and that this will pay insufficient attention to the complex social and political arrangements which give life to accountability at the local level.

The vociferous debate about NGOs and their lack of accountability risks being overplayed in the context of Southern NGOs. As tabulated above, certainly they now have access to more information: and transparency is a powerful step towards holding governments and institutions accountable. NGOs are also, with government approval, consulted more regularly. In the World Bank and IFC they also have the right (although not necessarily the resources) to access the new complaints procedures. These steps, however, do not amount to a transfer of decision-making power or substantial influence. Indeed, the argument has been made that Southern NGOs should be strengthened and more strongly used by developing governments in order: (1) to enhance their own information and analysis about the IFIs; (2) as a bargaining counter (in alliance with Northern NGOs) to pressures by major shareholders, who face demands from their own publics to pay attention to NGOs; (3) to counter the power of Northern NGOs (see below) (Abugre and Alexander 1998).

Equally crucial in the debate about IFI relations with Southern NGOs, is that this issue not be permitted to obscure the two deeper problems of accountability which have been analysed in the previous sections of this paper. The IFIs have improvised a number of new consultation mechanisms with NGOs in borrowing countries. This has been necessary because both the scope and impact of their conditionality has widened. Yet these consultations do not resolve the deeper problems of accountability both within the institutions, and in relation to their government interlocutors. Indeed, these problems may well be exacerbated by new developments in the IFIs=relations with the other category of new stakeholders: Northern NGOs.

The stakes and accountability of Northern NGOs

Transnational NGOs are obviously not owners or directly affected stakeholders in the IFIs as defined above. In defining their `stake' in the organizations, one needs to consider their broader place in international governance. And even there, they are not part of the state-based

system of representation in world politics. But politics is not just about representation, it is equally about debate. And in international politics, NGOs open up and contribute to an active debate about the IFIs and their policies. Their role if you like is to speak for different views and interests which are not necessarily expressed through the formal channels of representation.

In more academic terms, the argument for the place of NGOs in an international `deliberative democracy=is voiced by theorist James Bohman: `In the case of a political setting where there is no public to whom appeal can be made or institutions in which voice is important, international institutions and the NGOs that attempt to influence their procedures and standards themselves can function as a public to whom equal access of political influence is guaranteed and open=(Bohman 1999, p.511)

The stake of transnational NGOs in the IFIs is perhaps best expressed as a principled as opposed to a material one. Put another way, although the policies and programs of IFIs do not directly affect the material conditions and well-being of the members of transnational NGOs, nevertheless they affect the principled interests of this membership: those interests being a variety of notions of justice, development, the environment and so forth.

The accountability problem posed by transnational NGOs lies in the first instance in to whom they are themselves accountable. Most TNGOs are accountable in various ways to at least three constituencies: their membership (actual and potential and predominantly Northern); their major funders and/or clients (which sometimes include governments and corporations); and in many cases NGO partners (some of whom in the South). Overall, there is a tendency for such groups primarily to be accountable to Northern groups, funders, and partners. For this reason, a long-standing concern about TNGOs has been that they magnify Northern views - both outside of governments, as well as through governments - in the international organizations, adding yet another channel of influence to those peoples and governments who are already powerfully represented.

The risk here is that TNGOs further distort the inequalities of power and influence already discussed in this paper. As Abugre and Alexander found: `Activism by United States NGOs has probably expanded the already disproportionate role of the United States in the international financial institutions, especially the World Bank=(Abugre and Alexander 1998, 116). Similarly, where TNGOs deploy their considerable resources and expertise in representing and assisting local groups bringing cases to the Inspection Panel, it is not always the case that the interests of those being represented are the same as the interests of those to whom the TNGO is primarily accountable (members and funders).

The problem for critics is that whilst the work of many TNGOs has undoubtedly magnified Northern influence in the IFIs, other TNGOs have used their influence with the US government (both Congress and the Executive) and other G-7 governments, effectively to campaign for greater transparency, disclosure and new forms of horizontal accountability, which are of interest to all stakeholders. Hence, some TNGOs have assisted in enhancing the accountability of the IFIs, even whilst at the same time further undermining the relative power and participation of both developing countries and Southern NGOs.

In conclusion, TNGOs can play an important role as guardians of particular principles,

including principles of good governance, transparency, disclosure and horizontal accountability. The devil with TNGOs lies not so much in the detail but in the objectives, priorities, and constitutions of the organizations. Some TNGOs working on and with the IFIs are fully aware of the risks mentioned and steer clear of them by prioritizing multilateralism, local accountability and capacity-building in developing countries. In so doing such groups are implicitly respecting the claims of more directly-affected stakeholders to have priority in holding the institutions to account. TNGOs that do not so delimit their priorities, it is argued here, are wrong to claim that their stake in the institutions gives them a right of account.

7. Conclusions

Improving the accountability of the IFIs has become a mantra for economic policy-makers in the G-7. In the present debate this has come to mean making the institutions more transparent and opening up dialogues with new groups of `stakeholders'. This paper has shown that these measures enhance governance, yet accountability requires something more. The core elements of accountability are transparency, compliance, and enforcement. The formal structure of the IFIs is supposed to ensure these requirements through Executive Boards comprising representatives of member governments. Yet each link in this chain of representative accountability has weaknesses. Furthermore, as the mandates of both IFIs are widened to embrace ever deeper conditionalities and policies negotiated with member countries, so too problems of accountability are being enlarged. This is because just as mandates are widening, so too are the categories of affected groups who might legitimately claim to be stakeholders in the institutions and therefore to have some right to hold them to account.

The implications for the institutions are several. First, the flaws in the vertical structure of accountability need redress. This means working to put into place: appropriate incentives for staff within the organizations; an open and legitimate process of appointment for the heads of the institutions; a stronger role for the Executive Board in overseeing the work of the institutions; a structure of representation which reflects the changing stakes of state-members; and measures which assist in enhancing the accountability of country representatives to their governments and voters. As the mandates of the institutions are deepened, taking them further into issues of governance within countries, ad hoc consultation with NGOs will not be enough to redress the problems of accountability. Rather major shareholders in the Fund and Bank will have to start translated their rhetoric about increasing participation and ownership into changes in governance in the Fund and Bank.

Finally, even with positive steps towards improving the accountability of the IMF and World Bank, we must recognize that there are limits to how accountable these institutions can be to the governments and peoples most affected by their lending and policies. This raises a more profound issue as to how far-reaching the activities of relatively unaccountable agencies should be. In his essay on whether international institutions can be democratic, political theorist Robert Dahl warns that we should be `wary of ceding the legitimacy of democracy to non-democratic systems' (Dahl, 1999, p.33) His point is that domestic political systems have a potential to be democratically accountable in a way that international organizations cannot. The implication is that the IMF and the World Bank should be reined in from far-reaching policy conditionality and that their activities should be limited to those for which they can claim to be effectively accountable.

References

ABUGRE Charles, and Nancy Alexander (1998), `Non-governmental organizations and the international, monetary and financial system=, *International Monetary and Financial Issues for the 1990s Volume IX* (Geneva, UNCTAD): 107-125.
BOHMAN James (1999), `International regimes and democratic governance: political equality and influence in global institutions=, *International Affairs* 75:3 , pp.499-513.
BUIRA, Ariel (1996), `The Governance of the International Monetary Fund', in Roy Culpeper and Caroline Pestieau, *Development and Global Governance* (Ottawa: International Developmen Research Centre, the North-South Institute).
COLLIER Paul (1999), `Learning from failure: the international financial institutions as agencies of restraint in Africa=in Schedler et al (1999), pp. 313-332.
DAHL, Robert (1971), *Polyarchy, Participation and Opposition* (New Haven: Yale University Press).
DAHL, Robert (1999), `Can international organizations be democratic?=in Ian Shapiro and Casiano Hacker-Cordon, *Democracy=s Edges* (Cambridge: Cambridge University Press) pp. 19-36.
ELSTER Jon (1999), `Accountability in Athenian Politics=in Przeworksi, Stokes, and Manin (1999) (see below).
FELDSTEIN Martin (1998) `Refocusing the IMF', *Foreign Affairs*, 77:2 (March/April 1998) pp. 20-33.
FFRENCH-DAVIS, Ricardo (1997) `The Tequila Effect: Its Origins and its Widespread Impact', *Desarrollo Economómico: Revista de Ciencias Sociales* 37 (1997) 195-214.
GOLD, Joseph (1972), *Voting and Decisions in the International Monetary Fund* (Washington DC: IMF, 1972).
G-7 (2000), `Strengthening the International Financial Architecture=, Report from G7 Finance Ministers to the Heads of State and Government, Fukuoka, Japan 8 July 2000 (www.mof.go.jp/english/if/if019.htm#cc).
HELLEINER, Gerald (2000), `Markets, Politics and Globalization: Can the Global Economy be Civilized?=given as the Tenth Raul Prebisch Lecture 11 December 2000 (Geneva).
HORSEFIELD, Keith J. (1996) *The International Monetary Fund, 1945-1965: Twenty Years of International Monetary Cooperation*, Vol. 1 (Washington D.C., IMF).
IMF (1997), *Good Governance: The IMF=s Role* (Washington DC; IMF)
IMF (1998a), *The IMF's Response to the Asian Crisis* (Washington DC; IMF)
IMF (1998b) "External Evaluation of the ESAF," Report by a Group of Independent Experts (Washington DC; IMF)
IMF (1999a), ÆExternal Evaluation of IMF Surveillance@, Report by a Group of Independent Experts (Washington DC; IMF)
IMF (1999b), ÆExternal Evaluation of IMF Economic Research Activities@, Report by a Group of Independent Experts (Washington DC; IMF)
IMF (2000a), *A Guide to Progress in Strengthening the Architecture of the International Financial System* at www.imf.org/external/np/exr/facts/arch.htm.
IMF (2000b), `The IMF in a Changing World=, Remarks by Horst Köhler, Managing Director Given at the National Press Club Washington, DC, 7 August 2000.
IMF (2000c), Report to the IMF Executive Board of the Quota Formula Review Group (Washington DC, 28 April, 2000).
IMF (2000d), Report to the IMFC on the Establishment of the Independent Evaluation Office and its Terms of Reference (Washington DC, 12 September, 2000).

KAPUR, Devesh, John P. Lewis and Richard Webb (1997), *The World Bank: Its First Half Century (Volumes 1&2)* (Washington D.C.: Brookings Institution).
KAPUR Devesh and Richard Webb (2000), `Governance-related conditionalities of the international financial institutions=, *Journal of Policy Reform* (forthcoming).
MARAVALL, Jose Maria, `Accountability and manipulation=in Przeworski, Stokes and Manin (1999) (see below)
MIKESELL, Raymond, F (1994), `The Bretton Woods Debates: A Memoir', *Essays in International Finance No. 192* (Princeton; Princeton University, Department of Economics, International Finance Section).
O=DONNELL Guillermo (1999), `Horizontal accountability in new democracies=in Andreas Schedler, Larry Diamond and Marc Plattner, *The self-restraining state: power and accountability in new democracies* (Boulder, Co; Lynne Rienner, 1999): 29-51.
PRZEWORSKI Adam, Susan Stokes, & Manin (eds), Democracy, Accountability, and Representation (Cambridge University Press, 1999).
SCHEDLER, Andreas, Larry Diamond and Marc Plattner, *The self-restraining state: power and accountability in new democracies* (Boulder, Co; Lynne Rienner, 1999).
SCHOLTE, Jan Aart (1998), `The IMF meets Civil Society', *Finance and Development*, Volume 35, Number 3 (September) pp. 42-45.
SUMMERS, Lawrence (1999), `The right kind of IMF for a stable global financial system=, Remarks to the London Business School, December 14, 1999 (US Treasury: LS-294)
WADE, Robert (2000), ` "A defeat for development and multilateralism: the World Bank has been unfairly criticised over the Qinghai Resettlement Project=(full manuscript unpublished, short version published in *Financial Times* 4 July 4th 2000).
WAGNER, Nancy (1995), `A Review of PPP-Adjusted GDP Estimation and its Potential Use for the Fund's Operational Purposes', *IMF Working Paper* (Washington DC: IMF).
WORLD BANK (1989), *Sub-Saharan Africa: From Crisis to Sustainable Growth* (Washington DC: World Bank).
WORLD BANK (1992a), `Report of the Ad Hoc Committee on Board Procedures', May 26 (Washington DC: World Bank).
WORLD BANK (1992), *Governance and Development* (Washington DC: World Bank)..
WORLD BANK (1994), *Governance: The World Bank's Experience* (Washington DC: World Bank).
WORLD BANK (1996), *The World Bank Participation Source Book* (Washington DC: World Bank).
WORLD BANK (1998) *Partnership for Development: From Vision to Action* (Washington DC: World Bank).
WORLD BANK (1999) *Annual Review of Development Effectiveness* (Washington DC: World Bank)
WORLD BANK (2000), *China Western Poverty Reduction Project Inspection Panel Report* (Washington DC: World Bank) and see www.worldbank.org/eap/eap.nsf/.
WOODS Ngaire, `The Challenge of Good Governance for the IMF and the World Bank Themselves=, *World Development* Vol 28, No. 5 (May 2000).