

Were Interactions with Other Stakeholders Effective?

34. For much of its existence, the IMF operated in a bipolar world, with staff interacting almost exclusively with the authorities of member countries, punctuated by fact-finding discussions with donors, creditors, and market participants. This world started to change in the 1990s, and that change accelerated during the evaluation period as the Fund's new transparency policy took effect, putting a premium on the publication of program documents, Article IV reports, and related papers. Companion efforts to enhance Fund staff communications emphasized outreach to in-country stakeholders beyond the authorities—to parliamentarians, to representatives of civil society as key constituencies, including think tanks and the media as vehicles for getting messages out to particular audiences and the wider public.

35. Reflecting these changes, staff interactions with many of these other stakeholders intensified during the evaluation period. In analyzing them, the evaluation identified three distinct purposes of such activities, while recognizing that all are present to varying degrees in almost all IMF outreach events, and that conversely those with whom the Fund engages are themselves interacting with the Fund for their own various purposes.

- The first kind involves activities intended primarily to inform Fund staff's analysis for the IMF Executive Board and other audiences. Such activities have long been a part of the Fund's *modus operandi*, predating the transparency initiative. During the evaluation period, they involved discussions with external creditors and donors, as an input into a determination of likely financial support (or gaps); with domestic market participants, including business associations, market participants, and labor unions, to gauge different aspects of economic and financial conditions; and with other civil society groups to learn about their perspectives on policies and priorities, including in the context of the poverty reduction strategy process in PRGF-eligible countries.
- The second kind of outreach involves the Fund informing others, often for reasons of institutional accountability and legitimacy. These activities

were empowered by the transparency policy, which set the stage for a wave of outreach activities designed to inform key stakeholders about Fund activities and advice in member countries. They involved meetings and seminars with parliamentarians and the general public to inform them about Fund findings and recommendations about their country, typically with no objection from the country authorities.

- The third kind involves staff trying to influence the course of country policies by stepping outside the policy dialogue with authorities and into the wider public debate about the direction of policy. For example, the European Department's (EUR) outreach strategy notes that its "ultimate measure of success is the extent to which our outreach increases the chances that we influence policy. [And that] outreach therefore needs to be an integral part of EUR's operations."¹¹ In a similar vein, the Western Hemisphere Department's (WHD) communications strategy states: "The ultimate goals of our outreach efforts are to affect policies or support them when they are appropriate. To meet these goals, our outreach effort aims at influencing the broader public debate and constituencies that indirectly but eventually determine policymakers' choices."¹²

36. The evaluation finds increasing staff effort devoted to outreach activities, but little evidence of actual success in "influencing." During the evaluation period, such activities included the timely dissemination of Fund mission findings in some cases and public seminars on regional economic outlooks and other topics. Sometimes, such activities were encouraged by the authorities—especially in other advanced and emerging economies and in PRGF-eligible countries—who in some cases sought Fund staff assistance in securing support for reform. But in other cases, the authorities objected to such activities—most often in connection with the media—and when they did, the activities

¹¹EUR's internal guidance on outreach strategy.

¹²WHD's communications strategy.

Box 3. What Are the Country Constraints to Effective Outreach?

	Advanced Economies	Emerging Economies	PRGF-Eligible Countries
Reputational legacy from prior program engagement	Only relevant in one case during the evaluation period.	Major concerns with many stakeholders outside government about past programs.	Major concerns with many stakeholders outside government about structural adjustment.
Country concerns about IMF legitimacy	None, though many acknowledge the need for greater voice of others.	Major issues in large emerging economies, who see the IMF as biased in favor of the large advanced economies.	Not a major issue in most PRGF-eligible countries, though it arises in criticisms about different treatment of rich and poor countries.
Authorities' other views about outreach	Many authorities do not want Fund staff to interact with media and others on their economy.	Many authorities do not want Fund staff to interact with media and others on their economy.	Many PRGF-eligible countries want Fund staff outreach to help educate the public about economic management and reform.

generally did not take place (consistent with IMF staff guidance). In between, the evaluation found a gray zone, where, for example, discussions with think tanks and market participants were viewed less warily by the authorities, with different staff members responding to such openings in different ways. In terms of results, only 21 percent of official survey respondents said that the Fund was effective in helping to build/maintain policy consensus outside government, and only 5 percent said it was very effective; the staff's ratings were little higher—at 27 percent and 10 percent, respectively.

37. The evaluation's civil society survey received 704 responses from civil society representatives living in 159 countries. Responses came primarily from think tanks, private sector associations, and nongovernmental organizations (NGOs), with fewer from the press and labor unions. In the advanced economies, most respondents were from think tanks and private sector associations. In the PRGF-eligible countries, almost half were from NGOs. Of the 704 respondents, 443 said they had had interactions with Fund staff between 2001 and 2008. Their responses portray staff as respectful, listening, and aware of host-country cultures, though with lower scores on cultural sensitivities from NGO representatives in general and from respondents from PRGF-eligible countries and large emerging economies. About half of the respondents who had met with staff did not answer¹³ the questions on whether (i) their views were taken into account in IMF discussions with the government and (ii) their discussions with the IMF generally contributed to building national

support and initiative towards “IMF-backed policies.” About half of those who did answer said their views had been reflected—though the numbers were smaller for respondents in PRGF-eligible countries—and that their discussions had contributed to building national support for policies.

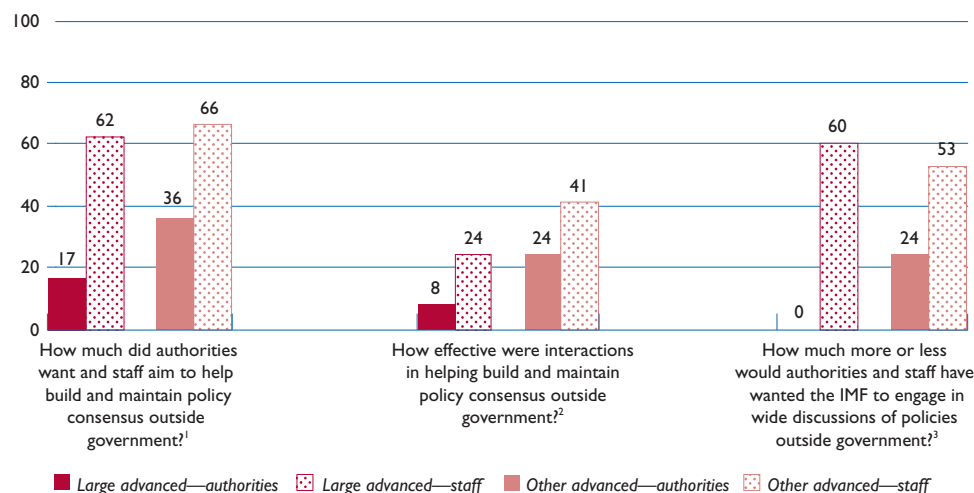
38. Box 3 summarizes the main thrust of the evaluation's analysis of country constraints to effective influencing in the country groupings, which is briefly discussed below and detailed in the companion country papers. In many advanced economies, the deterrent to greater staff outreach was perceived resistance from the authorities themselves. In emerging economies, bad memories of past involvement with the Fund, compounded by concerns about the Fund's legitimacy constrained staff outreach efforts. In PRGF-eligible countries, a major constraint was the reputational legacy of structural adjustment which reduced public receptivity to the IMF. This said, the PRGF-eligible authorities had the most positive survey responses on outreach of the country groupings, as explored in more detail in the companion paper on interactions with PRGF-eligible countries.

39. Elaborating on the findings on the specific country groupings, the evaluation found that in the advanced economies, Fund staff faced considerable challenges with respect to outreach. In these countries, interactions with other stakeholders, especially the media, can in principle provide a source of traction which is otherwise in short supply. Speaking on behalf of one of the area departments covering the advanced economies, one senior staff member said that the overwhelming factor in the 2001–08 period had been the transparency initiative, which led to a situation where the authorities had a greater incentive to be

¹³Includes “no response,” “not applicable,” or “do not know.”

Figure 12. Do the Authorities of the Advanced Economies Want IMF to Help Build Consensus Outside the Government?

(In percent)



¹Share of respondents answering “a fair amount” or “very much.”

²Share of respondents answering “effective” or “very effective.”

³Share of respondents answering “somewhat more” or “much more.”

interested in the work of the Fund because the media dimension became more important. However, this sword cuts both ways. The surveyed and interviewed authorities of advanced economies were typically not enthusiastic about increased outreach in their countries, despite their support for such activities in other countries. Indeed, the survey evidence shown in Figure 12 illustrates the strong strategic dissonance between the very limited amount of policy-related outreach the authorities wanted and the far greater amount that staff aimed to provide. The dissonance was especially pronounced in respect to the large advanced economies. And, in terms of timely dissemination of Article IV mission messages, for example, few advanced economies have seen end-mission press conferences, although in most cases the mission’s concluding statements are released in a timely manner. In the circumstances, staff faced recurring dilemmas about how much to push for more and better outreach: they had to weigh possible negative short-run effects of such efforts—including with respect to activities such as briefings for think tanks on mission findings—on their interactions with country counterparts, against the potential for positive medium-term effects such efforts may have on the Fund’s traction and effectiveness.

40. In the emerging economies, staff used different approaches to outreach depending on country circumstances. In some large emerging economies, especially in East Asia and Latin America, the evaluation found that the Fund’s continuing unpopularity—which derived from its association with past

financial crises and austerity programs, combined with cautions from authorities—deterred staff outreach. Whereas, in “emerging Europe,” and in a number of other emerging economies, the situation on the ground was quite different, and the Fund was seen in a more favorable light. The survey evidence makes clear that while many authorities in emerging economies did not have a problem with the Fund making outside contacts—and surveyed civil society organizations (CSOs) expressed generally favorable views about their interactions with the staff—only 10 percent of authorities of large emerging economies wanted the IMF to help build and maintain policy consensus through contacts outside the government. The percentage for the other emerging economies is much higher; though at 30 percent it is still not large. The cumulative effect of the various constraints was an abundance of caution by staff, who generally took a low profile in engaging beyond the authorities. In a number of cases, for example in Latin America, outreach beyond the authorities and market participants was—and remains—specifically off limits, especially in respect to the media. Meanwhile, the evaluation found more recent area department initiatives to disseminate analytic work in a variety of regional fora (including *Regional Economic Outlooks*) to reposition the Fund as a technical expert and analyst. Some of these efforts have also provided a useful platform for building relationships across countries and repositioning the Fund in regions and countries where bad memories of past Fund engagement remain strong.

41. The evaluation found some progress in outreach in PRGF-eligible countries, especially in the very recent period, as compared with earlier evaluation findings.¹⁴ As discussed in depth in the companion paper on these countries, the authorities of PRGF-eligible countries were the most open to further outreach by the Fund to all groups, especially to parliamentarians and market participants. But staff efforts in many country contexts still lagged in part because of resource constraints. The unresolved reputational legacy of struc-

¹⁴Notably, the evaluation did find evidence of increased outreach in Sub-Saharan African (SSA) countries since the IEO's SSA evaluation, which had found earlier efforts to be "limited and ineffective." See IEO (2007a).

tural adjustment and privatization was also a deterrent to staff, who sometimes encountered hostile receptions from local civil society groups. This legacy continues to complicate outreach in many PRGF-eligible countries, where civil society views the Fund very negatively; during the evaluation period, it severely limited the Fund's influence beyond the dialogue with the authorities and inhibited staff from engaging productively with other stakeholders. However, the evaluation did find examples of change, in which staff outreach—in the context of a growing economy—was able to rebrand the IMF from perceived agent of unpopular privatization and structural adjustment measures to champion of much more popular fiscal transparency initiatives.