

**PRESENTATION BY IDB PRESIDENT IGLESIAS  
AT THE CLOSING SESSION OF THE  
IDB-CIVIL SOCIETY MEETING  
Santo Domingo, Dominican Republic  
9-10 November 2000**

**INEVITABILITY OF CIVIL SOCIETY**

**The momentous changes sweeping our countries - democratization, decentralization, economic reform, the information revolution, globalization - have brought about changes in the roles played by the State, the market and the various social agents, and have led to the emergence of new actors.**

Local governments now play a more important role than ever before, the private sector is a leading player in the economy, the mass media has a far greater impact on shaping public opinion and in defining agendas for social debate. **In this context, there is a new and potent force: civil society.**

That civil society has emerged to become part of the deep-seated trends in the process of structural change at work in the world and in the countries of the region **underscores the inevitability of this phenomenon.**

**DESIRABILITY OF CIVIL SOCIETY**

In addition to its inevitability, this phenomenon **is desirable, mainly because the emergence of civil society goes hand in hand with the process of democratization: spurring it along** (civil society groups played an important part in the process of democratization in the 1980s) **while also serving as an expression of this process** (with the restoration of democratic freedoms, citizens have had more opportunities for expression, organization, and mobilization). **The process of democratic consolidation now underway in many of our countries has a staunch ally in civil society.**

**Another reason for its desirability is that the development agenda has been broadened,** thanks to civil society organizations (CSOs), to include the issues of the environment, gender, ethnicity, and various vulnerable groups. **The emergence of civil society is associated with efforts to remove structural factors of exclusion.**

**It is also associated with the fight against poverty and inequality** because of the demands by society for greater equity but also because CSOs are able to reach those areas that the State is unable to serve, serves poorly, or finds it very expensive to serve.

**Ultimately, the emergence of civil society has been one of the key factors in humanizing the development agenda and in consolidating democracy.**

## CIVIL SOCIETY: OPPORTUNITIES AND CHALLENGES

Leaving aside philosophical discussion about civil society, it is important to bear in mind that for the opportunities offered by a vast number of CSOs to materialize, **one major challenge needs to be overcome: the narrow focus sometimes given to the concept of civil society.** From our standpoint, there are two ways, that are not mutually exclusive, of understanding this concept. **First, we have the structural or organizational vision of civil society, which is expressed through thousands of citizen-based organizations representing issues of public interest at the local or national level:** community organizations, neighborhood associations, development NGOs, NGOs that defend various causes, unions, business associations, political parties, professional associations, etc. **Second, we have the vision of civil society as citizenry: there is no civil society without a citizenry; there is no citizenry without citizens; and there are no citizens in conditions of socioeconomic exclusion who are unable to exercise fully their political rights.**

We do not deny the importance of the structural or organizational vision of civil society, and on the contrary promote efforts to strengthen it. However, attention should focus on the serious mistake that could be made in a region with incipient democratic systems in which high levels of socioeconomic exclusion exist, by ignoring the words of the IDB strategy on modernization of the State and strengthening of civil society. **"The greatest constraints for such an effort in the countries of the region are the socioeconomic exclusion of vast sectors of the population, among them women and indigenous peoples, and the fragility of democratic institutions, including the party system, such that citizens are not fully exercising their economic, social and political rights".<sup>1</sup>**

Then, we need to combine the organizational vision of civil society with the one of citizenry because creating decent economic opportunities for the entire population and strengthening the economic system are essential for strengthening civil society. **We are convinced that the IDB is making a meaningful contribution to this discussion by moving the issue of civil society to the mainstream of the agendas for development and government public policy.**

One pertinent conclusion emerging from the foregoing is that **civil society is more than the sum of all of its NGOs. In fact, it is more than the sum of all CSOs.** CSOs are the most vibrant expression of civil society and strengthening them does not end there but is linked to a broader process of political, economic, and social transformation of the citizenry in the terms that we have mentioned.

Another important conclusion is that **widening and creating markets is part of the process of strengthening civil society.** Nonprofit activities and those that sometimes mistakenly tend to narrow the concept of civil society are a vital part of this process and are increasingly important in the modern world. However, extending the entrepreneurial

---

<sup>1</sup> Frame of reference for Bank action in programs for modernization of the State and strengthening of civil society. GN-1883-5, 13 March 1996.

base, creating jobs, and developing human resources are also important elements in the process of strengthening civil society.

It should also be clarified that **representative democracy and participatory democracy are not alternatives but two faces of the same coin.** Participation is the daily mechanism for renewing and strengthening the institutions of representative democracy. **We must avoid the error of jumping from the right diagnosis that the institutions in our democratic systems are not functioning well to the wrong conclusion that they need to be replaced.** The right conclusion, and hence the importance that the IDB attaches to this issue, is that democratic institutions must be improved and strengthened so that they can better respond to the interests of their citizens.

Linked to this idea is a particularly important issue: **political parties and civil society. It is not widely known that political parties are part, a vital element, of civil society.** By simply considering political parties as part of civil society, we can avoid two risks inherent in the structural vision of civil society. First, given their nature, CSOs tend to represent specific interests or the interests of a particular sector (environment, gender, human rights, workers rights, etc.). Hence, the sum of all CSO agendas tends to become dispersed. Second, there exists the risk of corporatism. To address both risks, in a democratic society political parties need to discharge a function of aggregating and reconciling the specific or sector demands. **We must not fall into the error of jumping from the right diagnosis that in our region in general the party system is not functioning properly to the wrong conclusion that it needs to be replaced. The right conclusion is that the party system needs to be strengthened.**

**One last point on which I would like to touch is the representativeness of civil society. It seems to me that the discussion is flawed. The real issue of CSOs is legitimacy.** A small group of mothers meeting day after day in the Plaza del Mayo in Buenos Aires was able to have the issue of human rights placed on the national and hemispheric agenda. That was not a problem of representativeness but legitimacy. In another case, a small group of indigenous people was able to capture the attention of television cameras and provoke a strong reaction to a project that threatened to destroy their environment and their culture. That was not a question of representativeness either. **So, we appear to be mistaken in claiming "representativeness" which at times is heard from some CSOs just as we feel that it is a mistake to disqualify CSOs, as is sometimes the case, on grounds of "representativeness".**

## **CIVIL SOCIETY ON THE IDB AGENDA**

Following up on the process of transformation referred to at the outset, and on the basis of our reflections, the presence of civil society on the IDB agenda has been strengthened by the Eighth General Increase in the Bank's resources. In its spirit and in its mission, the Eighth Replenishment document sets out the **inseparable relationship between development with equity, democratic governance and the strengthening of civil society.**

17. Pursuant to the mandates of the Eighth Replenishment, in 1996 the Board approved a strategy for modernization of the State and strengthening of civil society in which it noted that **"the modernization of the State along the lines described above entails a complementary and reciprocal process of strengthening civil society. There can be no efficient State with a weak civil society. There can be no effective democracy or sustainable and equitable development without a strong civil society"**.<sup>2</sup>

Since then, we have endeavored in various ways to bring civil society into the Bank's activities:

- **One, promoting a relationship of trust and cooperation between the State and CSOs.** This activity is vital, and for the Bank indispensable since its main interlocutors are the governments, particularly in light of the relationship of distrust, lack of understanding, and even hostility that existed between these two groups owing to the political conditions that prevailed until only recently.
- **Two, placing the issue of civil society on the agendas of the Bank, the governments, and development policies.** We have opened channels that permit citizens, individually and collectively, to have an impact on the process of establishing an agenda for development in the region. Many seminars and conferences on a wide range of subjects that outline development policies and projects are not carried out solely with government agencies but are open to grassroots organizations, NGO networks, academic institutions, unions, business associations, and political, social, and religious leaders.
- **Three, we approved an information policy that gives the public broad access to Bank activities.** The information, as noted in the Framework on Participation document, opens the way to participation since, in the case of certain Bank projects and activities, citizens may express their views and make suggestions and criticisms.
- **Four, designing innovative projects in which there are components to be carried out directly by CSOs.** We have also approved operations to hone NGO management skills (operation recently approved by the MIF), and INDES has brought NGOs into its training programs.
- **Five, broadening and improving the stakeholder analysis** so that the project design takes into account its impact on the different social agents involved.
- **Six, submitting various sector strategies to broad consultation** prior to approval as recently happened with the strategy on energy and local government, amongst others.

---

<sup>2</sup> Frame of reference for Bank action in programs for modernization of the State and strengthening of civil society. GN-1883-5, 13 March 1996.

- **Seven, pursuing periodic consultation at the national and regional level, with CSOs** (such as the meeting in the Dominican Republic in November 2000 and the one held in Melgar, Colombia, in May 2000).
- **Eight, in all of the Bank's Country Offices flexible mechanisms for consultation and linkage with civil society are being put in place**, such as Civil Society Advisory Councils which in some Offices have been functioning for some time. Because specific conditions in each country are different, these mechanisms cannot be based on a single unalterable format.
- **Nine, at the instructions of the Board, Management is preparing a strategic framework on citizen participation** in Bank activities, consultation on which was initiated at the meeting in the Dominican Republic.
- **Ten, modernization of the State, including civil society issues, is one of the four areas in which the institutional strategy concentrates.**
- **Lastly, we are elevating the issue to the Bank's operations agenda** by proposing to the Board that an Operational Division be established in each of the Regional Operations Departments to handle issues of modernization of the State and civil society.

The foregoing does not mean that everything has been done or that it has all been done well. We have now gone part of the way, and **with this meeting we taken a pause so see what we have learned and to identify the important points in our approach to the way ahead.** This is very important with respect to both the institutional strategy and the strategic framework on participation, on which discussion has now begun.

## **MOVING FORWARD**

Based on past experience and as part of the previous reflections, I would like to examine the road ahead. First, **without governments ceasing to be the Bank's main interlocutors, we shall keep identifying modalities and mechanisms for bringing the voices, views, suggestions, and criticisms of civil society into the Bank's activities.** As democratic systems consolidate in the countries, our institution's dialogue with civil society will become more fluid. **In the final analysis, such dialogue will reflect the maturation of the democratic process in our countries.**

Second, **the document on participation that the Board asked Management to prepare, and on which discussion has begun at this meeting, is an excellent opportunity for establishing a strategic frame of reference that guides relations between the Bank and civil society in its myriad forms.** It is not necessary to have a recipe or operating guidelines or a detailed prescription but simply a frame of reference for charting the route and basic directions.

Third, **given a complex changing reality, flexible mechanisms are needed for**

**linkage and consultation in each of the Bank's Country Offices.** We have already had experience in some countries and all of the Country Offices are working on this. We must, however, stand forewarned that any show of inflexibility or attempt to monopolize the dialogue and representation does not fit in with conditions as complex as these and a spirit of participation and plurality.