Deconstructing Civil Society:
A Study of the FIDECOMISO Ecological Trust Fund in Panama

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The concept of civil society was intended to indicate a ‘third’ road: one that is neither ‘utopian socialism’ nor ‘utopian capitalism’ but the ‘life-world’ of the middle...In this account I look for a third way: one that recognizes the validity of the concept of civil society without romanticizing it and without abstracting it from its social or historical ground.”
(Robert Fine, 9,6)

Introduction

Many non-governmental organizations (NGOs) engaged in environmental conservation make as a part of their business the of building of new, localized democratic structures. NGOs want participation, to develop the capacity of members of grassroots organizations to actively engage in the political, social, economic and environmental arenas, present and future. They want to see the growth and establishment of a powerful civil society able to provide a basis for strong democracy, the centerpiece of sustainable development.

Within liberal-democratic institutions, there is a basic assumption about the nature and ability of civil society. The assumption, perhaps even equation, is that the state’s power should be balanced by the public voice and by the public’s ability to choose, out of a diverse set of choices, what they want to have happen in their own country in the politically, economically, socially and environmentally arenas. This public voice is conceptualized as primarily organized entity in a “civil society,” meaning groups of the public (as differentiated from private or state) organize into institutions and associations, each with their own varying, diverse and often conflicting particular interests. Civil society, thus defined, inherently contains the idea of coordinated diversity. Where there is democracy, there must be civil society, and a healthy civil society will lead to true democracy.

In this paper, I question this liberal-democratic use of civil society as the singular working definition. Whether or not you are a fan of postmodernism, its theories have provoked us to take advantage of a plethora of pluralities. Rather than continuing to work within the monolithic structures, such as “culture”, “the state” or “the public”, we now differentiate between historically- and geographically-situated states, each with their own plural societies and varying cultural precepts and practices contained within. And so I propose to add another term to the plural pile, the monolithic concept of civil society.1

This is not simply a theoretical move. Rather, it is an absolutely necessity if we are to recognize that civil society can be understood only in light of its historically and geographically situated relations to a particular state as well as a particular public, engaged in specific economic relations at a chosen point in time. The use of “civil society” as a singular concept, readily employed and expected to engender images of a public sector which has developed an alternative power to the

1 Although there are some variations on the democratic-liberal theory of civil society, extending even to questioning the usefulness of employing the term at all, it is nonetheless almost always a desire for a singular definition of civil society that is in question. (Cohen and Arato 1995, Gellner 1994) The edited volume by Fine and Rai (1997) is a departure from this desire for singularity in the expression of civil society.
state in any given nation at any given time, is misguided and misleading. I am not arguing that there is no such thing as civil society, rather than that there are many such things as civil societies. Failing to embrace the terms pluralist reality reduces the power of the idea to an empty sign, one which undercuts the development of relationships to markets, publics and states which could potentially lead to more equitable access to resources of many types.

By careful examination of the operation of an environmental conservation trust fund in Panama I will elaborate on what conservation-oriented NGOs of various international, national and local shapes and sizes reveals about the functioning of a civil society in Panama. By grounding the oft-invoked, a times romanticized notion of civil society in actual circumstances, I hope to illustrate the striking divide between rhetoric and practice when it comes to national and international liberal-democratic institutions of civil societies.

NGOs and Civil Societies
Much of the literature devoted to the study of NGOs contains very practical analysis of methods (accountability, diagnostics, monitoring and evaluation), as well as relations between states and NGOs, between NGOs and grassroots organizations, between NGOs and NGOs, and between NGOs and the general populace with whom they are working, and occasionally even represent. Well documented is the fact that in the last 20 years NGOs have proliferated like rabbits on an international level, often filling in the gaps left by nation-states now divesting themselves of many of the direct responsibilities, either through the use of NGOs or through privatization. It is also no secret that NGOs have sometimes been romanticized in their ability to reach way down into the deep dark jungle of rural development and raise “the people” onto economically and politically firmer ground, to salvage, even “preserve” their cultural heritage and their self-respect. NGOs are sometimes imagined to be the road-paving force towards the alleviation poverty or to the development of on-the-ground democracy. (Clark1990, 1995; Cernea: 1988, Bebbington and Farrington 1993, Korten 1987)

At the same time, most of the literature of the last decade acknowledges the difficult position in which environmental NGOs currently find themselves, depending on their size and definition, particularly in relation to their donors. Are NGOs being used more and more as the implementors of international and national state-oriented programs? (Bebbington and Farrington 1993, Fisher 1997, The Economist 2000) Are they trapped in their own middle-class positions, limiting them from sufficiently accessing power from the elites to pass it on to the disempowered of the rural, lower classes? (Bebbington and Farrington 1993, Herrera 1998) Are some of the larger NGOs, such as the World Wide Fund for Nature and the Nature Conservancy too vested in the interests and methods of the World Bank and USAID, so as to undermine their potential impact in providing a wedge for popular participation in the apparati of states? (Danaher 1994)

Even without an agreed-upon definition, the concept of civil society, currently imbued with a heroic nature, is regularly invoked by governmental and non-governmental agencies as a remedy for inefficient and corrupt state bureaucracies. As Alan Fowler writes, NGOs

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2 In my dissertation for the Center for Folklore and Ethnography, I explore the connection between privatization and NGOization more thoroughly.
will mitigate the negative effects of the prevailing macroeconomic policies on poor and vulnerable groups... (and) contribute to the needed democratization of African countries by pluralizing and strengthening civil society. (Fowler: 53)

John Clark of the World Bank concurs:

“NGOs seeks to represent the voice of the weak and help them organize in their communities to achieve a more powerful voice in the making of decisions and the allocating of resources. (Clark 1995: 593)

It is this very assumption, an assumption of the miraculous capacity of civil society, which must be further problematized within the context of NGOs in operation at a particular time and in a particular place.

At a time when many consider non-governmental organizations to be synonymous with “civil society”, it is important to step back and take a deconstructive look at the constitution of the idea of civil society. (Rivera 1998)

**Civil Society: Threads of a Theory**

The diversity of meaning embodied in the term “civil society” is not a new thing. The term has been a shape shifter since the days of its employment by the likes of Machiavelli and Rousseau. This diversity of meaning is a good indication that it is the general framework of the word which is vital, while the practical relations embodied in the notion of civil society vary. For instance, Adam Smith drew on the term “civil society” to highlight innate rationality, which he believed lead to acting toward the general good. Marx believed that civil society indicated a capitalist act - individuals separated themselves from their family interest to seek after their own singular good. Gramsci, who is largely absent from the current liberal-democratic discussions of the concept, saw civil society as an integral part of the state apparatus. Gramsci conceived of civil society “as the political and cultural hegemony of a social group on the whole of society, as ethical content of the State.” (Bobbio 31) As I have already said, current liberal-democratic discourse sees civil society as highly distinct from the state, with the ability to pull the diverse masses together to form a single front in the face of state power. Vaclav Havel believes that civil society contains the capacity to bring us to “post democracy,” erupting out of “life from below.” (Fine: 10, 11)

To discover the usefulness of a term that can be imbued with so many varying meanings, I suggest sorting through its sundry uses to see what, if anything, remains constant. If it is not the meaning of the term itself which remains fixed, are there other concepts inherent within the use of the term civil society and, if so, what does that tell us about the idea of civil society?

One of the most basic questions running through philosophy, psychology, sociology, political science and religion to name but a few, is how do humans negotiate their social relations; how do we manage groups of humans living in some sort of coordinated unity when such varied needs are present? It is a question which raises the issues of association, government, regulation of the
market and the rules and laws we make to try to govern our passions, interests and basic needs. Civil society is a term that in each version of civil society, is brought out in the context of these relations. Without fail, civil society is engaged in power-building; of individuals, states and publics. Challenging and balancing power, which again is linked back to interests, is a central feature. In some cases the power struggle is within the context of repressive military rule or a heavy centralized government control or a fledgling democracy or a highly developed neo-liberal democracy. In each instance, the political machine, the class system, cultural norms and economic relations determine how the balance of power is negotiated.

As Gramsci points out, these relations are negotiated through two basic forms of “group-making”, coercion and consensus. Gramsci sees each component of society as potentially powerful actors. Please note that here I say potentially powerful, for although it may not be politically correct to suggest that some actors might have more agency than others, there are structural realities which do indeed determine how much room there is for movement. In some instances an actor’s agency can be a potential, but a potential that is nearly impossible to realize. In this way, civil society should not join too closely together with romantic notions of unbounded possibilities for freedom. This is a key light under which to view civil society. In what ways is civil society used as an organized force for action, which in turn raises the potential of some actor (the individual, the associated public, the state) to gather power and choose to either forcefully demand or more cooperatively agree to have its interests satisfied?

In order to garner power, there must be some sort of consolidation - whether of money, of arms or of public consensus. This too is a part of the negotiation which differs in each instance. In the post-military state of Ecuador, the elements currently involved in the struggle for power are greatly different than those in Panama, for instance, or the United States. In other words, the balance of power depends on the structural power taken on by certain actors. Perhaps the military in Ecuador still maintains a power base which supersedes the power of the populace, something that was recently reworked again during the alignment of the indigenous peoples movements with a faction of the military against the government, which temporarily mustered enough power to cause the president to step down. Within days the military forswore the allegiance with the indigenous peoples movement and, in turn, the movement suffered an enormous loss of power in the eyes of the other national publics.

Such an episode could not occur at this point in time in Panama. It is not the indigenous peoples who have organized in any powerful way, nor the military. In Panama the power is directly tied to the financial sector. This financial sector does not remotely represent the free-market system, a

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3 This is one of the worrying features of capitalism, which claims to be purely an economic phenomenon. Capitalism and its companion democracy, are attempting in a frighteningly successful manner, to standardize the balance of power by making the market the leveling force. The tendency is to try to ignore cultural or historical specificities, and to subjugate such specificity to a general rule or set of metrics which can be replicated, controlled and normalized with ease. This is definitely a form of consensus. (See Pred and Watts: 1992)

4 In fact, there is no military force in Panama, having been eradicated after the US invasion of Panama.
fact which frustrates neo-liberal proponents of democracy touting the importance of the transparent free-market. Rather, the power of the financial services (which are tied to the Panama Canal, the Colon Free Trade Zone, on and off shore banking, drug money and money laundering) continue to support both the old guard and the nouveau-riche elite of Panama.

At $6,700, Panama has one of the highest per-capita GDPs in Central and South America (1997 estimations). Nonetheless two-fifths of the population lives in extreme poverty, with income of some of the rural indigenous not rising above $230.00 on an annual basis. Panama is well-known to have the second or third greatest income disparity between rich and poor in Latin America. Twenty percent of the population makes less than 1.8% of the total income in the country. Forty-two percent of the country is living below the poverty level, 23% of these in extreme. (Herrera 1998: 1, World Bank 1996). Herrera, citing Jované and García, discusses the pressures brought on by acceleration of modernization within the economic structures while bereft public policies fail to address the greater societal needs for education, health, social security. Given the lack of policy, Herrera points out that poverty alleviation is dependent on the good will of the politicians and business people. Or, international aid. (Herrera 1998)

The industrial growth rate is a tiny 0.4%, highlighting the expectation that service industries will continue to be Panama’s primary revenue engine. Service, which depends primarily on the banking and insurance industries, the Panama Canal, and the Colón Free Trade Zone, account for 74% of the gross domestic product (GDP), the highest percentage of service as a portion of GDP in the world. Unfortunately, due to the system of tax breaks, revenue from the service economy often benefits only individual businesspeople rather than the national public. Eighty percent of the gross national product, which I reemphasize is 74% service-based, comes from within the metropolitan areas linking Panama City and Colon (Elton: 12)

Interests of the campesinos and indigenous people are so removed not just in content but in integration within the economic and political systems that there is little opportunity for them to mobilize. What currency would they use as their powerful trading chips? Since the economy is based on service and not on production or industry, most sectors of the Panamanian public have very little influence on the systems which currently support the state. Herein lies the inherent weakness of what purports to be civil society in Panama. The elite’s which bolster the Panamanian state feel little need to make concessions or compromises to the majority of the population which remains poor and impotent. It becomes, as Herrera pointed out, simply a matter of the good will, of charity, whether or not the elite address the needs and concerns of the bulk of the Panamanian public.

In each version of utopic society - whether anarchism or communism, democracy or socialism, there is an expectation that the populace is willing to act for the greater good of the whole. In the

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5 Panama is well known for its off-shore banking industry and plays host to over 122 international banks. The same privacy and tax rules which make Panama attractive for off-shore banking also make it a prime center for money laundering. The use of American dollars as Panam’s currency also adds to the overall financial stability of the monies held in Panama.

6 Elton also indicates that money laundering and the illegal drug business also contribute to Panama’s informal economy. (Elton: 19)
current liberal democratic discourse, many believe that it is the responsibility of the state to facilitate the expression of this inherent altruism. As Francisco Herrera writes,

“El papel del gobierno consiste en el fomento de la participación local en la protección y la gestión sostenible de los recursos naturales, en el establecimiento de las bases institucionales y las condiciones políticas para esta participación, así como facilitar el flujo de recursos financieros necesarios para que sea productiva y usufructue en condiciones de igualdad el beneficio de los recursos naturales de la región en que se vive.”

“The role of the government is to foster local participation in the protection and sustainable management of natural resources, in the establishment of institutions bases and the political conditions for participation, as well as facilitating the flow of financial resources necessary to assure that the use of the natural resources in the region is productive, fruitful and exercised in conditions of equality.”7 (Herrera 1996:52)

But one of the problems with the current liberal-democratic discourse about civil society is that it does not take into account certain specific realities. In its current appearance, civil society is like a unified plural being. The civic organizations come together to create a “civil society,” aligning diverse interests to reach a common goal. The motivations for this are varied. Some, like Havel, believe in an imagined greater good, a human tendency to make choices satisfy the common good/interests rather than the individual good/interests cooperative.8 (Compare this to the good will of the elite as discussed by Herrera). This notion of civil society is a microcosm for democracy at its best. There is a sense of free choice combined with a level of efficiency rather then a process laden democratic hell where everyone really does have their say. It is democratic utopia: public consensus without the state coercion; the state as a participant, a servant, a reflection of the will of the greater good, of the voice of the people, of civil society.

In the liberal-democratic context, it is as if the “indigenous” or “disenfranchised and poor” of the world play the same role as the proletariat do within a the socialist/communist framework. There remains a romantic notion that with the help (in Spanish capacitacion) of upper class or middle class intellectuals or activists, the lower classes (or “non-classes” in the sense that they are not directly involved in the production of the national economy) will be able to negotiate their position with an overbearing state. The most politically correct suggest that these non-classes could theoretically rise as a force on their own accord, as we all equally have the ability to do so,

7 Francisco Herrera is promoting ideas contained in Agenda 21, established during the 1992 World Ecological Summit in Rio de Janero.
8 This is exactly what the Northern/Western human rights agenda draws on and promotes. This agenda suggests that there can be singular, global, universally appropriate categories such as “gender”, “childhood”, “labor practices.” Although it is unpopular to question the human rights agendas, it is not necessary to begin to see these agendas through the lens of consensus and coercion and thus, to try to understand, without sanctifying or demonizing the political, economic, environmental and social motivations which propell these agendas.
only that they just don’t know the ropes of the modern world and, therefore, need some capacity-building in order to take up what is portrayed as an almost natural role. This role is often the taken up by international and national NGOs of all ilks - human rights, environmental conservation, rural development, etc. Alberto Olvera Rivera also acknowledges this version of civil society.

The antiauthoritarian understanding of the concept of civil society had since the beginning one problem: the homogenization of the diverse, that is, of society itself. In some cases this reductionism lead to interpret civil society as a collective being with a popular character, that is, a “macrosubject.” As a matter of fact, the national political culture, so prone to the rescue of populist traditions pushed the Left to use the concept of civil society as a modern and acceptable substitute for the concept of *lo popular* (”el Pueblo”), excluding both the bourgeoisie and associations of a conservative character.

This rhetoric, which privileges the role of the disenfranchised, is often adopted by these populations, but with intentions to satisfy wholly different interests from those interests of the NGOs. This conflict of interests and the resulting misunderstandings often works against both the NGOs and the populations with whom they work. For example, Francisco Herrera points out that the indigenous people in Panama are very distrustful of NGOs both ideologically and practically. In Panama, as unfortunately is often the case, environmental conservation projects are classically poorly managed. The preliminary diagnostic evaluation consist of informing the town what the project is and seeing who will sign up for it, the projects themselves are often misguided in actual content, money is pilfered by bureaucrats, national, local or within the indigenous groups themselves. Projects are slated to accomplish massive goals which necessitate changes in basic cultural beliefs and practices in one to five years. There is no accountability of the NGOs to the groups with whom they are working. In the instance of a World Bank/GEF-funded project called Bio Darien (now famous in Panama), the project was being managed through a joint effort of ANAM and UNDP. The project received $2.5 million to use in projects over a four year period. When I went to visit El Salto, the “capital” of the Embera Comarca (which is similar but not equal to a “reservation”) there were several half finished projects - part of a pen for raising iguanas (a less-favored food) and a hole dug to eventually make a pond to raise fish. Several people living in El Salto said that BioDarien had come nearly a year before to begin these projects. They started both the iguana cage and the fish pond and left before completing them. They had not been back again. Bio Darien had been plagued with problems - from the disappearance of large amounts of project money to staying to adopt to a variety of project directors.

This example is one of many which causes indigenous groups and poor campesinos in Panama to be wary of quick-fix international and national projects. However, competing with their suspicions, these projects bring something to them which they otherwise lack - access to funds and a potentially powerful alliance. In recognizing the negotiation of conflicting or overlapping needs and interests that analyzing the effacaciousness of a functioning civil society in Panama is appropriate.
This point brings us back to thinking about interests. Coming to civil society by way of the satisfaction of diverse interests diverges greatly from the ideas of Machiavelli and Rousseau who "operated with a model of the virtuous citizen engaged in political life and acting to maintain the common good." (Varty: 32)

So then there is a constancy to the term civil society. The term includes the market, the legal system, the state, the public, negotiation of varying interests, and a balance of coercion and consent. Such diversity makes the concept of civil society all the more interesting in that it does not have a standardized definition, an assumable identity. Civil society is, above all else, a term of relations. In each instance, one must recognize that civil society is constituted via contestation, negotiation and compromise between various actors and their actions as well as structural conditions.

To avoid getting lost in theory detached from specific circumstances, let’s take a look at a case in point, the study of the relationships involved in civil society through the specific lens of the FIDECO environmental trust fund in Panama.

**FIDECO: Just the Facts, Please**

In 1977, by way of several scientific reports (Larson 1979, Wadsworth 1978) USAID became aware of the massive deforestation problem within the Panama Canal Watershed. At that time nearly 80% of original forest cover had been cut down. Due to soil erosion resulting from deforestation, there had been an enormous increase in siltation of the streams, rivers and lakes which provide water to the canal. Consequently, the carrying capacity of ship traffic in the Panama Canal was in danger of being reduced, a potential which has become a reality during the several seasons of El Niño over the last two decades when the Panama Canal Commission (PCC) had to limit the number of ships able to pass through the canal based on the level of water they drew. The passage of an average of 35 ships through the canal’s lock system every day uses 52 million gallons of water per ship, resulting in the use of 1,820,000,000 gallons of water a day for use in the canal. While I was in Panama during the El Niño season of 1998, large tree trunks sat up starkly in Lakes Alajuela and Gatun, the level of water in the canal being the lowest since the opening of the Panama Canal by the United States in 1914. Given the impact of deforestation on the operation of the Panama Canal, in 1979 USAID decided to take immediate action by beginning a program called the MARENA project. This $10,000,000 project, still currently underway, specifically addresses reforestation efforts within the canal watershed. The efforts of USAID which led to the establishment of the FIDECO trust fund are aligned with the objectives established under the original MARENA project. FIDECO’s current management is integrally tied this history.

In 1993, three major donors came together to form an environmental trust fund in Panama. After abandoning long-term negotiations on a debt-for-nature swap, the US Agency for International Development (commonly known as USAID), The Nature Conservancy and the government of Panama made an agreement to contribute funds to begin the FIDECOMISO Trust Fund

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9 The PCC has been superceded by the Panama Canal Authority (PCA) under the new ownership of the Panama Canal by the government of Panama since December 31, 1999.)
(commonly referred to as FIDECO). USAID contributed $15 million, The Nature Conservancy $2 million and the Government of Panama, under heavy pressure from USAID, added $15 million to the fund. The moneys contributed by the GOP came by way of a loan made by USAID to Panama to provide aid and assist in reconstruction after the 1989 US invasion of Panama. Since the GOP could not spend the money without AID approval, AID was able to convince them to put this money towards the FIDECO Trust Fund.

This combined original $25 million has grown in value over the last five years and is now worth approximately $35 million. The fund’s principal has grown under the management of the Nature Conservancy by way of JP Morgan investing Firm in New York City. Each year, a portion of the interest of the Fideco Fund is used to fund projects which address environmental conservation in Panama. To date, the amount of interest used to fund projects has been $1,500,000 per year since the fund began in 1995.

The three FIDECOMISO donors, USAID, The Nature Conservancy (TNC) and the government of Panama (GOP) established an NGO, Fundacion NATURA, to administer the distribution of the yearly allotment from the FIDECO fund. Half of the $1.5 million paid out yearly by the trust fund goes immediately ANAM (Autoridad Nacional del Ambiente), the governmental environmental agency. This $750,000 is designated to assist primarily in building infrastructure within the national park system. The other half, approximately $680,000, is dispensed by Fundacion NATURA through a national granting program which funds only other NGOs or community organizations at work on projects related to environmental conservation throughout Panama. A further stipulation is that 75 % of the this $680,000 is designated specifically for reforestation efforts within the Panama Canal watershed. This means that $510,000 is available to NGOs and community organization working towards reforestation within the watershed, leaving $170,000 to fund environmental conservation and education programs throughout the rest of the country. Fundacion NATURA is the largest in-country funder of such projects. There are other projects in Panama with very large budgets funded by UNDP, the Inter-American Development Bank, the World Bank and the EEC.

**Fundacion NATURA and the Development of Civil Society**

Dr. Rodrigo Tartay, the first director of Fundacion NATURA believed that this NGO had an important role to play in developing civil society in Panama. He views civil society as a force of organization from below which provides an alternative to a state power, a force whose interests are oblivious to the bulk of the Panamanian population. As he wrote in Fundacion NATURA’s annual report of at the end of 1996,

“A partir de Marzo, 1993, la Fundacion NATURA dio inicio a una serie de actividades orientadas al fortalecimiento de la sociedad civil, en las areas de manejo de recursos naturales, proteccion del medio ambiente y desarrollo sostenible.”
“Since March 1993, Fundacion NATURA initiated a series of activities oriented to the strengthening of civil society in the areas of natural resource management, environmental protection and sustainable development.” (Tartay, 1996: 2)

In another document, a recap of the history of Fundacion NATURA from 1993-1996 given to the donors, the board of directors and the technical committee, Tartay makes clear that it is absolutely necessary to coordinate the efforts of governmental and nongovernmental organizations across geographic areas. Tartay goes on to suggest that one for organizing together is to take advantage of both the moneys available from FIDECO and those of other aid organizations thereby building a pattern of co-funding. In his estimation, this might better serve to balance the varied interests of international and national donors. Simultaneously, it makes even more money available to the Panamanian NGOs and community organizations which are receiving funding from NATURA.

Tartay’s major concern was over what he felt was an erroneous concentration of the FIDECO fund on the environmental issues within the Panama canal watershed. Quite perpectively, he understood that part of the reason for ongoing and increasing pressures of the territory within the watershed came from the continuing migration of colonists (colonos), farmers, of Spanish and Indian heritage (as opposed to indigenous populations) coming from ecologically degraded regions of Western Panama. Part of his rational for seeking funding from other donors besides USAID, TNC and the Government of Panama was so that he would be able to address these geographic areas of environmental degradation which fell outside of the Panama Canal Watershed. Tartay also understood that the concentration on the watershed reflected interests specific to the US government as expressed through USAID, as well as to the government of Panama.

The donors were very disturbed by the initiative Tartay was taking in steering NATURA to address broader environmental issues in Panama and in trying to secure funding for associations located outside the watershed, efforts which Tartay believed would assist in bolstering civil society overall by providing more of the associated public with access to resources and power not currently structurally available. In this way, he was literally attempting to facilitate a fundamental change in the structure of Panama.

What seems odd on the surface is that at least in written documents USAID, The Nature Conservancy and the Government of Panama agree with a need for the bolstering of civil society in Panama. They too profess to be concerned with the ability of “the people” to come together to express their needs as well as have the power to effectively access the resources to meet those needs. Again, this conceptualization of civil society as associations made of a non-government-related public is fairly clear.

For this very reason, at least in theory, the donors structured NATURA to have two influencing groups as part of its framework. The first group is the Board of Directors, of NATURA. There are currently eight members of the Board of Director chosen for their leadership positions in public, private and governmental organizations. As of March 1999, three members of the Board of Directors hold prominent positions in private enterprises, one represents the University of
Panama, one the Smithsonian Tropical Research Institute, (in essence a US Government-funded organization), one represents ANAM (the Panamanian governments agency for natural resource management), and two represent NGOs. Of the two who represent NGOs, one is the NGO called ANCON, the most prominent environmental conservation NGO in Panama with strong ties to the political elite. The other is CARITAS, a Catholic “Care”-like organization, which joined the Board of Directors on the suggestion of then-President Ernesto Balladadres. In each case, the members of NATURA’s Board of Directors is either the director or the sub-director of the organization or institution they represent.

The second group is the Comité Tecnico, the Technical Review Committee (TRC). Rather than being selected for their association to an organization, those serving on the TRC are chosen in light of their individual expertise but nonetheless are considered an important building block in the bolstering of civil society.

Dr. Tartay served as the director of NATURA from 1993-1996. The tension between Tartay and a member of the Board of Directors, Juan Carlos Navarro, the director of ANCON, as well as between Tartay and the donors culminated in mid-1996. NATURA’s fiscal year goes from July of one year to June of the following year. In 1996 the donors refused to approve Tartay’s yearly budget for NATURA, thus delaying the disbursement of NATURA’s funds. Finally, at the end of 1996, Tartay offered to resign, thereby reducing the budget in the amount of his salary (approximately $4,000/month). He suggested that the donors might use his salary to make up the difference in what they felt were overlarge expenditures in his proposed budget.

When Dr. Tartay resigned his position as the Director of NATURA, a number of members both of the Board of Directors as well as the technical committee resigned their involvement with NATURA in protest against the actions of the donors.

In the 1996 Annual report Dr. Tartay writes that there are three things he feels should not be underestimated in designing this future. They are:

10 Due to the negotiations between the three donors which created the FIDECOMISO Fund, the actual FIDECO moneys did not become available until 1995. Before that, the money that NATURA used to operate and for their small grants program came directly from USAID’s MARENA Project. During 1993-1994, Dr. Tartay who had left CATIE, an agricultural research and teaching institution in Costa Rica, to become the director of Fundacion NATURA, opted not to draw a salary.

11 There was also a significant conflict between the objectives held by Dr. Tartay and those of Juan Carlos Navarro, the head of ANCON (who was on the Board of Directors at the time). These conflicts were based on Navarro’s disappointed expectation that much of the FIDECO finding would be awarded to ANCON. Navarro’s expectation was in part based on a long-term relationship with TNC. That TNC had created a new partner, in essence to replace their association with ANCON as their main Panamanian partner, and that this partner was not giving more money to ANCON was part and parcel of the tension. Navarro’s intimate political connections (which assisted him in becoming the mayor of Panama City in the May 1999 elections) added heat to the fire in regards to the boycott of Tartay at this time.
1. that lived experience should be taken as a platform for constant learning.

2. that in order to take advantage of the FIDECO fund there has to be a concentration of forces between civil society and government that is willing to take the necessary economic actions and adjustments to preserve the national ecological heritage of Panama; and

3. that NATURA, as the marker for FIDECO,

   “podrá hacer una mayor contribución al foralecimiento de las capacidades de todas las organizaciones con las cuales interactúa; en otras palabras, podrá contribuir a crear una escuela de pensamientos cuya orientación y viabilidad dependerá, indudablemente, de la capacidad de los miembros de su Junta de Síndicos, Comité Tecnico, y personal profesional. Esto no constituye una percepción pretenciosa; por el contrario, debe verse como la oportunidad para propiciar la constucción de un modelo innovador que sea capaz de un convertirse en uno de los puntos focales de una estategia nacional ambiental.”

   “....will be able to make a larger contribution to the strengthening of the capabilities than all the organizations with whom they interact; in other words, will be able to contribute to the creation of a school of thought whose orientation and viability depends, undoubtedly, on the capacity of NATURA’s Board of Directors, Technical Committee and professional personnel. This is not a pretentious idea; on the contrary, it should be seen as an opportunity to propose the construction of an innovative model that it is capable of transforming itself into one of the focal points of the national environmental strategy.”

   (Informe Annual 1996, p1)

In this final statement to the donors, the Board of Directors, the Technical Comite and the NATURA staff, Tartay encourages them to remember the importance of NATURA’s opportunity, to learn from their experiences, design their programs and methods, and then learn some more. He also restates the importance of the strengthening of the civil society organizations that exist and that they in turn must try to work with the government to establish a frame of mind which influences the economic and political agendas to make environmental conservation, which Tartay calls “a national heritage”, a true possibility.

When Tartay left, the donors decided to cut the salary for the director’s position in half. After some months they hired Oscar McKay, a Panamanian who had worked in agro-chemical sales for the previous 20 years. Although cognizant of some of the potentials embodied within NATURA, McKay is astute enough to see what happened to his predecessor after his vision and motivation diverged from those of the donors. Some of those serving on the Board of Directors, in the TRC as well as heads of NGOs receiving funding from NATURA continue to express their concerns for the well-being and potential power of NATURA. At this moment in time, it remains a shadow of its prelimimary, former self.
What’s Going On Here?

What can be understood about the relations which create the specific incarnation of civil society within Panama by looking at this specific environmental trust fund in Panama? How are the various actors or categories of actors negotiating the access to and balance of power? Are groups organizing to this end, and if so, what part of the national or international population is involved in the group and what actions are they taking to engage in these relations?

One thing becomes immediately obvious in considering the question of Panama. There is an enormous structural concentration of power which is politically, economically and socially constructed and reinforced. The unequal distribution of wealth is directly linked to the small circle of people who constitute the national arena of decision-making. Their interests are not located in the countryside via links to food or industrial production. In both a literal and a metaphorical sense, the concentration of power and economic gain falls within an area that is approximately 45 miles long and 20 miles wide, between Colon and Panama City. This geographic area contains the Panama Canal, the Colon Trade Zone and the off-shore and on-shore international banking systems. The populace of Panama has not been able to muster a public force to counter this small yet intensely powerful elite. Certainly, environmental concerns are not a natural national interest in this context.

Yet, in the last ten years, there has been significant growth in the number of NGOs and community organizations in Panama. Within these, environmental conservation organizations constitute the largest percentage of any special interest among these organizations. At first, this might seem to contradict what I have just claimed. But Herrera helps to clarify the apparent discontinuity by pointing out that during the last several years there has been an enormous influx of international aid, governmental and non-governmental flowing into Panama. (Herrera 1996: 53) Because of Panama’s dependence on its service economy (which in turn depends on the international market-place), the interests of international aid organizations must be taken seriously. This is especially the case with interests tied to aid from the United States. According to Herrera, it is in part because of the influence of these organizations that governmental attention is being given to environmental issues. (Herrera 1998: 6,7)

What then does the particular situation of Fundacion NATURA make evident about the defining features of civil society in Panama? There is certainly a rhetoric of popular participation and civic institution-building within the documents of USAID and the Nature Conservancy. Primarily, if not wholly due to their efforts, the very innovative idea, an ecological environmental trust fund, has been established with the participation of the Government of Panama. A structural element of this fund is that NGOs and community organizations receive funding for locally conceived and executed projects. Yet the actions of the donors in forcing out the first director of NATURA, as well as the reflection of their own interests concentrated in the watershed, contradict this stated goal.

And so, the question must be posed: what is this trust fund if not an apparent vehicle to establishment of their own interests, to the exclusion of what transformations might be necessary in the political and economic structure in order to meet the goals of sustainable development?
The specific devices of control, of coercion, at work within the donor control of FIDECO indicate that the FIDECO trust fund is not primarily a vehicle for responding to needs of the Panamanian public. There appear to be several forces at work against Havel’s idea of an eruption of “life from below.” The structural conditions within Panama, based on a history of political power and the developed economic service sector, are a primary factor. International aid, configuring colonos and indigenous peoples within a romanticized notion of civil society actually continues to control the extent to which public efforts not reflecting the FIDECO donors interests in the smooth operation of the Panama Canal are given assistance and opportunity to flourish.

In the case of Panama, the term civil society primarily represents the interests of the state and of the elite with very little emphasis on the needs and interests of broader populations. This civil society is controlled by the state and the international aid community. There is very little “popular voice” which affects the structural workings of civil society. The public associations that do exist are either weak in their relation to the over all power structure, or are themselves a part of this structure.

By analyzing the FIDECOMISO case study, the limitations in the liberal democratic use of the term civil society become evident, provoking us to look further into the vary relations which affect and construct what we call civil society. To acknowledge and map the relational nature of civil society and dissect the interests and power-basis of various interest groups, we are able to view a detailed and realistic cross-section of civil society in Panama. Only after the Panamanian public recognizes where they stand in relation to these other forces can they identify the necessary steps to initiate structural change.
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