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Understanding change at the World Bank:
actors, factors & facts.

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Introduction

The World Bank is the primary development institution in the World. For now more than fifty years, it has been leading both development thinking and practices. How and why does it evolve ? This papers attempts to set out the map of actors, trends and dscourses that influences the Bank's behaviors. It therefore provides both a synthetic and comprehensive picture that has not been attempted yet to our knowledge.

Part One scrutinizes the many internal and external factors and actors that have an impact upon it.

Part Two is concerned with understanding the current discursive environment that surrounds the Bank – today under public scrutiny more than ever before in history.

Part Three accounts for major evolutions in the Bank's life, and points to some up-coming trends.

PART ONE

What does influence the World Bank ?

This section's ambition is to map out the complex set of actors, factors and trends that had or still have an impact upon the World Bank. It particularly points to a running tension between the Bank's identity as a technical agency and the influence of major political actors, such as the United States.

This section first questions the Bank's level of autonomy as well as its agenda setting patterns. Then it maps the set of internal and external actors that interact with the Bank. Finally, the Bank's organizational culture and some external factors are analyzed.

I Introducing change at the World Bank

Conceptualizing Bank's behaviors implies to look at patterns of agenda setting. How does an issue emerge at the Bank ? What vicissitudes does a new agenda go through before being acknowledged as a full-fledged official Bank policy ? What is the internal mechanics of issue raising like ?

These concerns have been the focus of scientific scrutiny for some time and especially recently. Starting from scratch would make no sense. It is useful to build on majors debates and findings.

A – Problematising change

Change within intergovernmental organizations has been traditionally analyzed in two opposite ways: one that emphasizes dependency towards external actors; the other one underlining autonomy and self-organization. This debate permeates thinking on the World Bank.

1 – Dependence

A – On member States

Organizations like the World Bank have attracted attention from international relation theorists. Their conception of the international system focuses on *interactions* of agents, rather than on agents. Internal complexities of organizations have therefore tended to attract little attention.

Neo-realists led the field of international relations for many years. Neo-realism is still very much alive. They understand international institutions as mere reflection of the allocation of power among their member states. In their view, these institutions have no autonomy in themselves.

Properly speaking, multilateral organizations are then not *actors*, but at most, *agents* engaged in "principal-agent relationships" with leading member states. This relationship pretty much boils down to task delegation and monitoring. In this view, intergovernmental institutions' unique purpose is to solve specific problems of state co-ordination, especially by lowering negotiation and transaction costs. Thus internal institutional processes are not relevant. State preferences are what matters.

Change at the World Bank is thus exclusively seen in the light of interactions between powerful external actors. One is therefore led to pay special, if not exclusive attention to strong member states, such as industrialized countries that provide capital backing.

B - Other external actors

While some emphasize the role of States that officially govern the World Bank and subscribe to its capital, other IR theorists point to influential non-state actors, especially non-governmental organizations (NGOs) of both industrialized and developing countries. Their

influence grew out of well-managed public campaigns such as the '50 years is enough' one that loudly criticized the Bank and the International Monetary Fund.

Another powerful external actor is the financial community: the investment banks that underwrite the Bank's bonds, investors that hold them, and rating agencies that are responsible for the World Bank triple A credit rating. These actors influence the Bank as they control its borrowing interest rate and, to some extent, its financial policies.

2 - Autonomy

A - Internal culture

Organization theory focuses on internal aspects of institutions, as well as on their interactions with their environment. In this line, one is led to stress the normative dimension of the institution at stake, made of social obligations, morals, values, patterns of behavior, accepted procedures and beliefs, as well as informal relationships.

As internal analysis unfolds, one starts contemplating a larger picture : a culture, specific to an organization. This 'organizational culture' reflects the identity, the history as well as the internal conflicts of the organization. It can be responsible for organizational stasis and sometimes for change.

In a nutshell, contrary to international relation approaches, what seen here as being crucial for change, is the organization's internal dynamics. An organization's culture is a powerful factor that should not be neglected.

B - Internal actors

The importance of organizational culture in understanding change at the World Bank does not mean that no individual staff member can ever initiate change on his or her own.

It is easy to think of the Bank as a monolithic institution that presents united fronts to external agents. In actuality, the Bank includes staff with a wide range of political and social perspectives. Sometimes, some Bank staff strongly favors reforms that are advanced by external coalitions, and those coalitions often benefit from the advice, information and active support provided by these internal actors. Contacts with external coalitions concerned about a similar issue may strengthen the ability of internal reformers to deal with internal resistance to reform. Indeed, internal reformers often depend significantly on the existence of external pressure and scrutiny.

Staff diversity is a factor of change, which becomes even more important as external monitors become more active. We will see that the pre-eminence of economists in the Bank's staff does not prevent new ways of thinking from emerging from within.

C - The means of autonomy

Internal factors (culture and actors) are all the more important in understanding change at the Bank, as the latter constitutes a powerful institution that possesses many assets to secure a strong independence towards external actors. Indeed, research has shown that, when they enjoy strong resources, changes in international organizations are only partially explained by external influences.

Let us have a look at the Bank's major assets. Its stability is well mirrored by a worldwide network of regional offices topped by a huge headquarter in Washington DC. Staff, of more than 10,000, is recruited from all over the world, with extremely high profile academic and professional backgrounds. Its extensive research operation has contributed to making the Bank Group, the world's largest provider of technical expertise and intellectual resources on development. Since its creation, the Bank's technical expertise has been vital to its independence and its legitimacy. Its research capacity is often said to make the Bank a legitimate advisor.

Regarding the financial side, some important remarks must be made. Unlike most United Nations agencies that rely on member's contributions, the IBRD has its own access to worldwide capital markets, on extremely favorable terms. It generates its own income, of over one billion, annually since 1985, and has accumulated substantial financial assets, amounting to \$18 billion at the end of 1997.

A key exception to the Bank's relative financial autonomy lies in its 'soft loan' facility - the International Development Association (IDA) which was created in 1960. This creation opened up a new channel through which the Bank could be pressured by member States. The United States has used threats to reduce or withhold its own funding at the occasion of periodic replenishments of the fund, in order to almost overtly influence Bank policy. During the late 1970s, for instance, the Bank was forced not to lend to Vietnam in order to prevent the failure of 'IDA 6' (sixth replenishment negotiation). Again, in 1993, under Congress pressure, the US linked the creation of an independent inspection panel in the World Bank to 'IDA 10'. US influence is further leveraged by the fact that many other member States prorate their contributions to IDA to those of the United States.

As pointed out by Ruttan (1996), the Bank finds an additional source of autonomy in its structural position as an intermediary in the international economy. Indeed, it stands at the center of a two-part 'principal-agent' relationship as donor countries provide the Bank with funds (mainly in the form of capital backing), and delegate to it the power over how and to whom they should go. In turn, the Bank lends these funds to developing countries, requiring them to fulfill certain obligations. In both relationships, substantial asymmetries of information exist, with the Bank in the privileged position. These asymmetries imply mean greater influence for the Bank *vis-à-vis* its member countries, both donors and borrowers.

In other words, even when external pressure is applied, an institution with the size and strength of the Bank may not respond as expected. It has enough weight in its own right to talk on an equal foot with States in a great many situations. Even when pressure has to be abided by, it is likely to take the form of a compromise, rather than a pure submission.

B - Patterns of change

Empirical observations call for an eclectic way of modeling Bank behaviors, a way that brings together insights from both approaches highlighted above. No single theory can give an appropriate picture that fits all Bank behaviors. It is less ambitious but more realistic, to look for typical patterns of agenda setting that stylize the diversity of historical cases. Fields of concerns such as environment, gender, private sector, participation or governance show stories of agenda setting that differ profoundly. Research has provided some evidences on how these agenda came about at the Bank.

Based on 1) where the initial push for a given agenda came from, and 2) what kind of advocates were instrumental in bringing the issue to the fore, one can distinguish four models of agenda setting, instances of which are all available in the Bank's history. These models of change at the World Bank are stylized historical facts, ideal types of organizational change in the Weberian sense, and were conceived by Michelle Miller-Adams (1999), whose major findings we now present.

1 - Top-down change (e.g. poverty focus, Wolfensohn's agenda)

A top-down pattern does not involve a high degree of interaction between internal and external actors. It mostly take place within the institution and essentially depends on the commitment, organization skills and charisma of individual leaders. While tacitly agreeing member countries are helpful, active support is not needed. So are internal advocates, that are helpful but in no way critical to success.

The classic example of this pattern of change is McNamara's introduction of a poverty focus in the Bank's activities during the 1970s. There was little pressure for him to do so either from within or outside the Bank. As a matter of fact, this new agenda clashed with the Bank's organizational culture and there was evident resistance to its incorporation. These barriers were outcome by what Miller-Adams calls a "growth strategy" : the president added new departments and new staff and rapidly increased the pace of lending; this in turn made massive new resources available to follow up on the poverty issue, and created incentives for staff to lend along this new line.

President Wolfensohn's effort to reshape the Bank's culture in a more result and client oriented way, does not benefit from such a favorable environment that makes new resources available to strengthen the new agenda. He has to reshape Bank culture at a time when lending flows, budget and staff size are declining. He has used his President position to stress the importance of cultural change, altering incentives for staff and opening the Bank to outside influences for instance through exchange programs and partnerships with other organizations.

To achieve results, Wolfensohn has had to secure support from mid-level management and low-level staff and work to build consensus. Indeed, in order to reform the Bank's organizational culture, the President heavily relied on consultative mechanisms. Consequently, the process of change appears less autocratic and more consensual than in McNamara's day. Still, there is no question that it is *change from above*.

Dissatisfaction with the Bank's performance by many of its members and others in the development community gives urgency to Wolfensohn's change agenda. It is not clear yet whether this new agenda will be successful. Top-down efforts to reorient the Bank appear to

be easiest in a growth environment, but with strong leadership and high stakes, they may be successful. Further analysis of Wolfensohn's agenda for the Bank is provided in Part Three.

2 - Bottom-up change (e.g. women, resettlement, participation)

On several occasions new agendas have emerged from mid-level staff working in operational areas. This has been the case in the 1990s for a variety of social issues including participation, the role of women in development, and the implementation of Bank policies on resettlement and the rights of indigenous peoples. In all these cases, the on-the-ground experience of individual staff members contributed to recognition of these issues for their work efficiency. These staff members forged networks among themselves and created alliances with outside groups to support common agendas.

Interactions between internal advocates and external supporters are actually critical for success, as put forward by numerous case studies on participation (Miller-Adams, 1999), resettlement policies (Cernea 1995, Fox 1998), gender (Murphy 1995) and social issues more generally (Kardam 1993). For instance, advocates of participation, who practiced it in their work, joined forces with interested member countries and developed a forum for discussion on participation. The Bank indigenous people and resettlement policies, designed by in-house sociologists and anthropologists in the early 1980s, went largely unimplemented until internal and external advocates stepped up the pressure for compliance.

Strong external support can change the incentive structure for Bank's staff, giving stronger leverage over the rest of the organization. Such was the case of the resettlement agenda (Jonathan Fox 1998) or the women agenda. Regarding the latter, it has been shown that internal policy advocates were instrumental in promoting it (Kardam, 1990, 1991), meanwhile they were helped by change in the thinking of the wider development community (Murphy, 1995).

Therefore, in bottom-up scenarios, what is essential is the alliances between internal advocates and external supporters. This combination is efficient in bringing new agendas to the attention of senior managers.

3 - Outside-in change (e.g. private sector, environment)

Actors outside the World Bank are sometimes first in formulating future Bank agendas. Similarly to the bottom-up model, this scenario heavily relies on interaction between internal advocates and external supporters.

Two textbook examples of this agenda-setting pattern are the environment protection and the private sector development agendas. The environment problematic was first raised by representatives of Northern NGOs, who pressured the Bank along various lines: grassroots campaigns, lobbying of member States, alliances with staff members. Similarly, private sector development was eventually integrated into the Bank's culture, when the United States pressured the Bank using direct financial 'blackmailing' at the occasion of the 1990 IFC capital increase (Miller-Adams, 2000).

As always, the existence of supporters within the Bank greatly facilitated their implementation of these agendas that were externally suggested. In both mentioned examples, change might have eventually occurred in the absence of external pressure, but it would have taken longer and ended up in a softer policy stance.

More generally, it is important to acknowledge the increasing importance of local, national and international civil society coalitions that monitor Bank activities and either try to fight specific projects or engage in a wider action targeted against Bank general policies. Transnational coalition strategies are further discussed below.

4 - Inside-out change (e.g. governance, adjustment lending)

The outside-out model highlighted above is sometimes purely reversed into an inside-out pattern of change. As shown by several observers, governance and adjustment lending ideas first originated within the Bank itself. They were the result of the organization capacity for self-evaluation, institutional learning and adjustment.

The idea of policy based adjustment lending was born in the late 1970s at the Bank, and grew out of discontent with loan performances. Moreover, the following debt crisis made the United States a strong advocate of adjustment lending programs as a way of handing over fresh capital to indebted countries, so as to preserve the international financial system, as well as opening up new markets through neo-liberal policies. The congruence between US and Bank needs resulted in rapid growth of structural adjustment lending. Even though the US did play a part in this process, it is crucial to see that this agenda originated *within* the Bank and would have probably taken place anyway, even in the absence of a strong external supporter like the US.

The participation agenda too resulted from frustration with the results of lending activities. In this case, the impetus for change from within the Bank was facilitated by new development in the international environment, especially the spread of democracy worldwide.

II Actors

One can only note the striking growth in the number of Bank stakeholders over the past few years. The Bank now operates in a very complex environment: member countries, challengers, NGOs, international and national public opinions.

As just stressed, change occurs most easily when several actors pool forces together: alliances are often critical for new agendas to emerge. Most efficient alliances involve external supporters and internal advocates. Let us now map out stakeholders in some detail.

A – Internal actors

1 – The President

The President is very influential within the Bank. He has often proved to be able to influence to overall institution's strategy, as mentioned when studying the top-down pattern of change.

A key task of any Presidents is maintaining the widest possible autonomy and political independence of the Bank, towards member States. This is by no means easy, especially in the face of powerful members like the United States.

The Bank's first President, Eugene Meyer, resigned out of frustration over his own powerlessness vis-à-vis the US Executive Director and US government. His successor, John McCloy, succeeded in increasing his power as President. He made it a precondition of taking the job. Specifically, McCloy demanded that the United States would not interfere in loan negotiations nor give prior indication of US positions on loan applications; that he would have a free hand in staff hiring and firing; and that he would nominate the US Executive Director. (Bird, 1992 : 283).

In the original US vision of the Bank, a powerful Executive Board, on which the US Director would be dominant, was envisaged as a controlling force over the President and senior management of the institution (Gardner, 1969). This was the case at times : "the normal thing was for an applicant for a loan to stop on his way to the Bank and get the support of the US Director" (David Sommer, cited in Gwin, 1997).

The Bank's first line of defense against such influence is the strength and independence of its President - even though always a US citizen appointed by the US government. McCloy and subsequent Presidents such as Robert McNamara demonstrate that strong Presidents can play an important role in enhancing Bank independence.

2 - The Executive Board

As it is normal in an intergovernmental organization, World Bank officers prepare projects and policies for approval by their political masters, national governments, represented in the Executive Board. The staff tends to present detailed technical analyses of proposals. In so doing they preserve an independence from political control, since Executive Directors who wish to question particular aspects of proposals soon find themselves in technical issues they do not necessarily master.

As a result, direct political influence over specific policy description or projects is by no means widespread. Since Bank staff presents only analysis that back their own proposals, Executive Directors find it difficult to argue credibly for an alternative (Ascher, 1992). Political influence on loans tend more to determine simply whether or not a loan goes ahead or how tightly conditionality will be applied, as opposed to shaping specific policy elements of the loan. This later kind of pressure, primarily coming from donor countries, is analyzed below in the 'external actor' section.

3 – Economist staff

A - Anglo-Saxon influence

Early in the Bank's history the United States was able to resist pressures against any national quota for hiring, and to establish a commitment to nothing but English as a working language. Recent historians of the Bank argue that this skewed employment in the Bank significantly, not just geographically - favoring south Asia over East Asia and Britain over other European Countries - but also overwhelmingly towards graduates of institutions that taught English - predominantly UK and US institutions.

It is true that Bank staff is overwhelmingly US or UK trained in economics or finance. However, many economists would argue that this simply reflects the fact that the best economics departments of the world are to be found in the United States, followed by the United Kingdom.

B - From bankers to economists

The Bank was initially concerned more with reconstruction than development, and with guaranteeing investments rather than making loans. Prudent management was a gold rule. Not until the 1950s did the Bank inspire enough confidence among US investors for its bonds to be considered safe investments, with a triple-A rating. Then healthy profits, financial autonomy and less budget constraint helped it to be more flexible and diversify its lending, developing an identity that set it apart from any of its member states.

Until then it had been the preserve of bankers and administrators. Engineers and a few economists were at the bottom of its professional ladder. But to reinvest its surpluses the Bank had to explore new forms of lending and relax its criteria, while retaining the confidence of institutional investors. This was the reason for recruiting economists: they were to prepare the way for the Bank's expansion by calculating the rates of return on new projects. This new task was very different from traditional need estimation, and a task for which the bankers had little enthusiasm.

During John F Kennedy's administration, political advisers were recruited from the prestigious faculties of America's East Coast. Economists benefited most from this new link between the universities and a political domain with fluid, permeable borders.

C - From Keynesians to Chicago neo-liberals

The 1960s bank economists came from the same background and shared the reformist conception of the Kennedy and Johnson administrations; not only because development economics were an 'offspring' of Keynesian economics, but also because Keynesianism was

a ready-made ideology for bureaucrat-economists keen on government intervention in the economy. It is interesting to underline the fact that the Bank's main themes - poverty relief, growth and redistribution - echoed US domestic policies, especially Kennedy's "war on poverty", and Johnson's "greater society".

In the 1970s McNamara's Bank had been a haven of Keynesianism and State-directed modernization. This ended with the debt crisis and the Reagan presidency. The arrival of a neo-conservative team in the White House in 1981 put the Bank at odds with Washington just as Third World debt challenged the Bank's expansionist practices. It was seen as a spendthrift bureaucracy that wanted to supplant the private sector, so much so that the new assistant secretary of state to the Treasury, Beryl Sprinkel, commissioned a report to establish whether the Bank had socialist tendencies.

There was also a radical change in the Bank's scientific environment.

Economics remained the leading development science, but a new generation of economists close to the Chicago school took over. There was a shake-up at the Bank, with only 8 of 37 senior people keeping their jobs, and a monitoring system was installed to label economists on the basis of their theoretical orientation. The new team thought that the existing staff lacked appropriate economic and technical skills, and that they were attached to past statist practices.

Neo-liberal concepts came to the fore at the Bank, with the public sector seen as parasitical on the privileges of the markets and a hindrance to their harmonious operation. This ideological counter-revolution at the top was the outcome of a broader and older trend. Unlike their Keynesian predecessors, who used their skills through links with the administration, the representatives of the Chicago school compensated for their remoteness from the centers of power with greater professionalism. There was now a mathematical basis to standards of competence in economics, and it excluded development experts, who were seen as generalists or even as non-scientists.

Neo-classical economics penetrated the Bank; project appraisal and the need to qualify performance led its economists to use neo-classical approaches and models because of their "methodological rigor".

4 – The Chief Economist

The Chief Economist enjoys a very specific position at the Bank. His voice rings out loud and clear, sometimes to the point it can disturb the President's own agenda or relations with other key world institutions. The most recent example of such a clash, is the one that involved Joseph E. Stiglitz, Chief Economist of the World Bank from 1997 to 1999.

In 1997, President Wolfensohn had named Joseph Stiglitz – a recognized economist who came from a long-established academic tradition in the US – as the Bank Chief Economist and Senior Vice-President. Stiglitz's most original contributions sprang from a novel branch of economics called "Information Economy". He developed a series of arguments highlighting the limits of the neo-liberal model in achieving poverty mitigation objectives, including new approaches to "development" processes and goals.

With Stiglitz, the ideological hegemony of the neo-liberal trend began to be questioned, giving a boost to those who held that economic growth is not enough to achieve development. For example, he often referred to the limits of commercial opening. Talk of

second-generation reforms, the need to strengthen democracy and decentralize, strong and efficient institutions and greater promotion of human capital started to be heard at that time.

As long as Wolfensohn and Stiglitz's discourse was limited to developing countries, the neo-liberal IMF and US Treasury let them work for the most part, issuing isolated criticisms from time to time. Things started to change in July 1997, at the beginning of the Asian crisis, which threatened to expand to the entire international financial system. The IMF, along with the US government and the European Union, implemented a series of rescue packages for Asian economies, as well as economic programs involving over US\$ 117,000 million, including US\$ 37,000 from the IMF and US\$ 14,000 million from the WB. Evidently, the amounts were far from negligible.

From the end of 1997, but mostly in 1998, Stiglitz began expressing direct opposition to IMF economic programs in Asia, which put an end to IMF and US Treasury tolerance. The confrontation reached an unbearable stage, particularly for Lawrence "Larry" Summers, Treasury Secretary since 1996, and considered an "enfant terrible" of economics. Annoyed by Stiglitz's criticism, "Larry" (who has also been the WB's Chief Economist from 1991 to 1993) suggested to President Wolfensohn that his next five-year term at the Bank would be in "greater harmony" with the US government if he fired Stiglitz. Stiglitz had to resign from his position of Chief Economist at the end of 1999.

5 – Non economists

Non-economists, who once lacked authority at the Bank because of the nature of their knowledge, have benefited from the rise of NGOS, as well as of new Bank agendas. Changing development themes at the Bank (such as "war on poverty", participation or, more recently governance) benefited anthropologists, sociologists and political scientists especially. For sure, conventional economic analysis is inadequate for assessing the new projects that want to increase institutional transparency, strengthen the legal dimension of social relations, or measure the degree of development of civil society or the level of transparency of government structures.

The policy of 'good governance' means that non-economists are at last getting professional revenge on their economist colleagues who had spent the 1980s making expenses-paid trips between their university offices and multilateral institutions where, having the monopoly in development matters, they collected emoluments.

As far back as 1991 an internal memorandum proposed a more important role for non-economists in project preparation. Many felt they were merely expected to use their knowledge only to legitimize policies devised by economists and softly work on social aspects of structural adjustment, while being careful not to question its principles.

B – External actors

Outside agents are acknowledged by both international relation and organizational theorists to be extremely important in understanding Bank behaviors.

1 – Borrower countries

The World Bank's primary customers are the developing countries to which it lends. Membership in the Bank has grown steadily since it was founded, with the increase coming almost exclusively from the addition of new borrowers. The two most rapid increases occurred in the early 1960s as a result of decolonization and in the early 1990s with the break-up of the Soviet Union. The Bank currently has 180 member States, compared to thirty-eight at its inception.

The Bank in recent years has made its client the focus of increasing attention. In the past, the Bank often projected arrogance based on its extensive staff, skills and financial power. Moreover, borrowers had few alternative sources of long term funding. The Bank is currently making changes to ensure its activities are driven increasingly by its client's needs. At least this is President Wolfensohn's strategy.

This move can be partially explained by the fact that middle-income borrower countries have now access to substantial private capital flows, thus less dependent on World Bank financing. The balance of power is simply moving. Still, the poorest countries still greatly rely on multilateral loans. Partnership has become a real Bank agenda, for further reasons that will be assessed in this paper.

2 – Donor countries

A – Voting power structure

The Bank's main resource is its capital. Private investors that hold World Bank bonds supply most of it. However, the level of borrowing depends on the capital backing of its member countries. Thus, in a way, developed member countries are its main suppliers. The Bank therefore relies on political sensibilities it needs to balance, in order to maintain itself.

Since the Bank's inception, the US voting share has declined steadily, whereas other industrialized nations' influence gradually increased. At the IBRD's origin in 1947, the US had 35 percent of voting power. By the end of 2000, it has declined to 17 percent. The second largest contributor, Japan held 6 percent. Similarly, when IDA was created in 1960, the US had 25 percent of the voting power, as compared to 15.3 today, when Japan has 10.7.

Moreover, it must be emphasized that member States from the European Union have substantial voting power that could outweigh, if united, the US'. The creation of a unified EU voice at the World Bank constitutes an ongoing debate among EU members. This issue was actively brought to the fore during the French EU Presidency in the second half of 2000, especially in the framework of meetings of EU Co-operation and Development ministers.

Thus, further development in the structure of voting power at the Bank can be reasonably expected in the near future. Yet, it remains that the World Bank still has a "special relationship" with the United States, its largest member.

The United States planned and created the World Bank in the last phase of the Second World War. The organization headquarter was placed at the seat of the US Federal government in Washington DC.

As Gwin showed (1997), the Bank's charter and its operational policies enshrined US views of how the world economy, resource allocation and investment decisions should be like. Moreover, the distribution of voting power within the institution, although clearly based on national income, foreign reserves and international trade, was from the outset according to US political preferences (Mikesell, 1994). Subsequent adjustments have also been highly political (Ogata 1989, Rapkin and Strand 1996).

Today, the influence of the United States is felt throughout the Bank. On the Executive Board of the IBRD, the US has 16.68 percent of votes - the largest share of any country. This is not counter balanced by Japan's vote which is 8 percent, nor by the vote of the European Union countries especially since they do not vote collectively. Even if the United Kingdom, France and Germany vote together their collective vote ($4.38 + 4.38 + 4.57 = 13.33$) is still less than the US. All other EU countries are represented in groupings with non-EU members, which dilutes EU influence.

Its voting share confers the United States a veto power over all decisions that require a special majority of 85 percent. It is the only country to enjoy such a veto. Indeed, its maintenance is itself the result of political negotiations in which the US has prevailed so far.

In practice, US influence is often exercised less formally. The Board of the Bank generally operates by consensus, albeit strongly aware of relative voting strengths. When the US does not approve of a loan or a policy, it is unlikely even to come before the Board. Rather, a less direct form of influence over the staff and management of the Bank will prevent the staff from even proposing the loan.

Today there are still complaints about the informal US consent needed for any loan proposal to go forward to the Board with any chance of success. It is still the case that : 'any signal of displeasure by the US executive director has an almost palpable impact on the Bank leadership and staff, whether is an explicit complaint or simply the executive director's request for information on a problem' (Asher, 1992 : 124).

3 – Civil society and NGOs

Formally speaking, only governments of member countries regulate the Bank. However, there are eternal actors, such as civil society organizations (NGOs) and development experts that monitor and evaluate Bank activities.

NGOs have become increasingly active in this regard in the 1980s and 1990s, with a variety of implications for the Bank. On the one hand, it has stepped up its dealing with NGOs and has been working to involve them in many of its lending activities. On the other hand, the Bank has become a regular target for NGO attacks over its environmental policies and adjustment lending, bringing about institutional changes such as greater openness and accountability.

A – The rise of NGOs

NGOs and academics, in disciplines other than economics, gradually came together through the 1980s and mirrored the alliance of activism in values and scientific ability that had created their neo-liberal enemies getting their abilities recognized by the Bank and the main development aid agencies.

Viewed by professionals as militants and dilettantes, the NGOs had long been disregarded or opposed when championing the casualties of structural adjustment. With the emergence of humanitarian NGOs focusing activities on extreme situations and capable of declaring an emergency, mobilizing public opinion and funding campaigns, those NGOs concerned with development either went into decline or became more professional. They took on an enterprise discipline to survive in a fiercely competitive market.

Trained in fund-raising techniques and public relations, the new representatives of the main British and US NGOs are pros, activists who have become managers, with formal qualifications in law, commerce or management, and experience in politics and business. They are humanitarian entrepreneurs quite different from the militant idealists who were imagined to be doing the job. Their greater professionalism has meant that NGOs have engaged staff that is increasingly like the employees of the institutions that the NGOs were opposing. This has tempered the critical discourse and facilitated a de-politicization already well under way.

The NGOs' professional compatibility with the Bank greatly explained their new influence on it. The bank, instead of seeing the NGOs as mere troublemakers, understood that their professionalism could be made to serve its own interests. They could get along together. So the Bank increased the funding managed by NGOs, and they were given generous commission on it.

The number of bank projects with NGO participation increased from 5% in 1988 to 47% in 1997. This has brought the NGOs' professional standards close to those of the Bank, and increased the permeability of the sectors. For many young graduates NGOs have become the professional springboard to employment with intergovernmental organizations.

B – International civil society coalitions

For more than two decades, coalitions of civil society organizations have repeatedly challenged World Bank's development projects, seen as socially and environmentally doubtful. These coalitions have often involved NGOs, churches, indigenous peoples, human rights networks, trade unionists, environmentalists, consumers, farmers, academic, women group, AIDS fighters, or animal rights defenders.

Mobilization is sometimes focused on a particular Bank project, such as for instance, the 'China Western Poverty Reduction' plan, which turned out to threaten ethnic Tibetans. It can also be targeted against general Bank policies, as demonstrated by the peak of anti-Bank protest in the early 1990s, epitomized by the "50 years is enough" campaign.

Many transnational campaigns have been focused on establishing or redesigning the procedures and policies that guide Bank projects. The adoption of a new policy does not guarantee its implementation. This fact has been largely demonstrated by the compliance review on resettlement policy. Still, the existence of a policy standard does create leverage when external coalitions demonstrate that Bank projects have failed to comply with it.

Campaigns promoting increased accountability of the institution may have even stronger impact. Policies that make information available early in the project cycle can enable early challenge of problematic programs. As any lobbyist would confirm, it is much easier to influence projects still at the design stage, so it is crucial for NGOs to push for wider access to Bank information.

The World Bank has responded in many different ways, sometimes contradictory, ranging from short-term damage control, substantive policy reforms and innovations, to continuing gaps in meeting its own social or environmental commitments and stepping up of its structural adjustment programs. The overall result is an uneven, patchwork of incomplete reforms combined with a resistance to change.

C – Direct impact

For coalitions to influence the World Bank, a long-term high investment is required. Making a difference requires a sustained and cohesive coalition capable of mobilizing and analyzing relevant information, making that information available to key actors, and mobilizing many sources of influence. Different patterns of coalitions emerge to deal with different issues.

For some coalitions, the dominant issue is to moderate or undo harmful impacts of specific Bank projects. In Philippines for instance, the coalition challenged the building of a geothermal power plant that could have endangered indigenous people's sacred ancestral lands. In Ecuador, an agricultural development program involved legislation, which threatened the communal lands of indigenous peoples. In both cases, transnational coalitions were led by grassroots movements directly threatened by the projects, together with national NGO allies who in turn sought international support.

On the other hand, it turns out that international NGOs tend to be the first movers, whenever the campaign is primarily concerned with Bank general policies, or failures to live up to its own policies. While local impacts are used as evidences of Bank failures, the primary target is reform of the Bank itself. For instance, in Brazil's Planaflo case (1989-1995), international NGOs challenged the Bank failure to ensure local participation in the natural resource management project : grassroots groups were not yet sufficiently organized to mount a credible protest on their own initiative. Similarly, the campaign to expand public access to information on Bank projects was led by international NGOs, since they had necessary technical policy skills, political influence with donors governments, as well as the organizational resources to maintain pressure across many projects, in spite of not having immediate stakes in each.

In still other cases, coalition leadership came from within the Bank itself, as internal reformers worked with external groups to review policies and practices. In the review of the resettlement policy, for example, an internal team designed and implemented a review that resulted in massive resistance. The existence of strong external coalitions that supported the internal review made it possible for the team to challenge powerful interests in the review, and ultimately to publish a shrewd report despite resistance.

As one can see, successful coalition tactics fit their goals and targets well. When the focus is controlling project damage or shaping implementation on the ground, the local actors spearhead the protest. When the focus is on influencing broader Bank policies, international NGOs tend to be more prominent. Where the target is fundamental change in Bank priorities or institutional arrangements, internal reform alliances are usually needed.

Successful strategies often draw upon a keen sense of political opportunism. In the Philippines, for example, the campaign to stop the Mount Apo thermal plant (1987-1993)

focused on the project's violation of the rights of indigenous peoples, in part because that issue was at the time more publicly and politically visible than the concerns of farmers and environmentalists. While some environmentalists and farmers disagreed with the decision to de-emphasize their interests, the focus on indigenous rights helped mobilize support from national indigenous networks at a time when their concerns were at the center of political attention. This strategy helped raise widespread awareness about the Mount Apo issue.

D – Indirect impact

It is important to acknowledge that a campaign impact can come in different forms. It is too simple to measure success merely by policy change, project cancellation or improvement. Such criteria conceal important complexities and possibilities. When campaigning, what "success" means often shifts over time, as new strategies come to the fore and new actors join or leave. Moreover, even if a campaign fails to directly influence Bank action, it can still manage to significantly change the Bank working environment in a way that increases pressure upon it.

Campaigns can succeed or fail on several dimensions, such as strengthening local organizations, building links for future campaigns, increasing awareness and skills for policy influence, evolving strategies and tactics for policy participation, shaping public awareness of critical issues, encouraging institutions to reform themselves - in addition to shaping specific projects and policy outcomes.

Campaigns that do not succeed in directly influencing the Bank may still be considered to have significant impact when measured by more indirect indicators. For instance, the battle to stop the implementation of Indonesia's Kedung Ombos dam (1984-1994) came too late to stop the dam. On the other hand, the campaign enhanced the reputation of the association of national and international NGOs that lobbied the Bank and donors governments. The network of national and international NGOs that participated in the campaign built relationships and capacities that served them well in subsequent actions. The movement also led to informal commitments by several donor agencies to avoid such projects in the future : "no more Kedung Ombos". The World Bank would therefore have to work in a changed environment.

Change in the Bank working environment is sometimes as useful as a direct impact on its behavior. In the long run, pressure builds up to in a way that constrains the Bank even more than a localized action.

E – Obstacles to transnational collective action

Coalitions are sometimes initiated by grassroots movements seeking to pursue their goals through international linkages. For instance, the Federation of indigenous organizations initiated the Ecuador Network so as to fight land laws. However it is more common for grassroots constituencies to be poorly connected with each other, and consequently to have difficulty in speaking to the World Bank with a unique voice. International coalitions often seek to represent grassroots interests to national and international decision-makers, but have difficulty in establishing exactly which voices truly represent local people.

Thus, grassroots voices are often extremely difficult to mobilize. Similar problems sometimes arise regarding the participation of other members in a coalition. For instance in 1991, Bank staff organized a workshop for government officials on revising water resource management policy. National NGOs were not invited. On the other hand, international NGOs tried to mobilize the latter on the issue, but found it extremely difficult, given the expense of transportation and the lack of immediate impact of policy decisions.

Consequently, Bank staff has frequently challenged civil society coalitions on the ground that they do not adequately represent grassroots constituencies.

This clearly brings to the fore the important challenge of coordination for NGOs' action. In order to exist, international partnerships often have to handle great differences in cultural background, economic wealth and political power, as well as technical communication obstacles. For coalitions to be effective over years despite their lack of resources, they need to build shared strategies, bonds of trust and recognition of each other comparative advantage. They have to sustain collective action in spite of the gaps that separate them.

This in turn implies the construction and maintenance of a transnational social capital (sociability, communication and trust) so as to enable collective action. To some extent, modern information technology enables interactive decision-making. Still, this is no substitute for direct, face-to-face interactions creating trust that is necessary for coalitions to endure. Total cohesion is almost impossible to achieve, so what matters is that small links add up to an international chain.

F – Limits

In the early years of Bank campaigns, Southern coalition partners provided the credibility while Northern NGOs had the media influence and political skills that turned out to be critical for extracting Bank commitments to reforms. As will be furthered explored in Part III, the reforms that were obtained set important benchmark standards, but have proven to be limited in term of their capacity to change what the World Bank and its national governments partners actually do most of the time.

Local-global linkages can be quite successful at 'damage control', or at extracting promises of reforms. However, it is likely that deeply changing the way powerful institutions like the Bank actually behave seem to require more than campaigns.

4 - The academic world

As will be shown in Part III, academic thinking readily influenced World Bank thinking on poverty and economic development: the Bank is not isolated from the larger intellectual world. However, the Bank is large enough to influence both academic opinion and the political climate, so the links between the Bank's thinking on poverty and the academic context are not one-way.

There has never been unanimity in the economics profession about policy issues, and at any given time, a wide range of positions is always conflicting. Still, according to Kanbur and Vines (2000), it is possible to identify four phases in thinking about reduction of poverty since the Second World War. Dates that are provided below should not be taken literally, rather as rough indicators.

The **first phase** (1945-1955) is the "growth does it all" one. Rosenstein-Rodan's paper (1943) on "Economic Backwardness in Historical Perspective" gave the central idea. In short, this view consisted of the idea that development is a virtuous circle driven by external economies : modernization triggers modernization. Some countries, according to this theory, remain underdeveloped because they have failed to get this virtuous circle going and thus remain stuck in a low-level trap. Consequently, there is a powerful case for government activism as a way of breaking out of this trap. Here, comes in the 'Big Push' conception of development.

Sure, there were disputes over the nature of appropriate policies required to break out from the low-level trap. Still, whatever the policy prescription was, it was thought that growth would necessarily lead to poverty reduction. This belief, that growth would spread or “trickle down” was common sense.

The **second phase** (1955- 1980) saw a questioning of the trickle down approach. The Lewis model (Lewis, 1954) as well as Kuznets’ empirical work (Kuznets, 1955), led to the idea that growth and inequality were ‘joined at the hip’. Kuznets’ studies suggest that there is an inverse U-shape relationship between growth and poverty. In the early stages, growth would lead to a worsening of income distribution, but then would come a phase in which income inequality would begin to fall again. The discussions then centered on the kinds of interventions necessary to ensure poverty reduction: food subsidies, highly progressive taxes, welfare or state support. By 1970, the questioning had become more insistent and turned into a widespread loss of confidence that national economic growth was a sufficient means for poverty reduction. New data supported the revisionist hypothesis, data that showed rapid growth and widening income distributions.

This loss of confidence even led to a famous debate on ‘intermediate technologies’, a debate that brought to the fore the idea that deliberate choice of more labor intensive methods of production was necessary if growth was to lead to poverty reduction. There was a willingness to give up some growth to this end. The result upon the World Bank, as will be shown later, was the emergence of a development strategy deliberately directed towards reducing poverty (see Part III, The McNamara years).

In the course of the **third Phase** (1980-1990), things changed again as a reaction developed against policies directly targeted towards poverty reduction. The analytical basis of Kuznets’ curve was questioned (Anand and Kanbur, 1991, 1993). More importantly, this was a period of macroeconomic shocks : the first energy crisis and subsequent global recession; the second rise in oil prices; debt crisis. The effect on this on the Third World, it was believed, was to require large changes in macroeconomic policies and therefore necessary removals of microeconomic distortions. The 1980s became the “adjustment decade”.

Parallel to this, the prominent view was that removing these distortions would be good for growth and that this would lead to poverty reduction. Out of this grew the “Washington consensus”. This neo-liberal agenda proposed the following line of causation : openness lead to growth leads to poverty reduction. The “trickle down argument” was back. But whereas, in the 50s, the growth was to be promoted by a ‘Big Push’ (that is massive and simultaneous multi-sectoral industrialization), the growth to produce the trickle down was now to be promoted by openness to trade and foreign investments.

This argument was underpinned by two kinds of empirical studies. The first showed that growth has no effect on increasing inequality (Anand and Kanbur, 1993). Second, growth empirically has a strong effect on poverty reduction (Ravallion and Chen, 1997).

Finally, the **fourth phase** (since 1990), which we are now in, involves a reaction against this neo-liberal agenda. It argues that at least to some extent a form of reverse causation is important : that poverty and inequality in turn has an effect on growth. This argument relies on endogenous growth theories.

A major way of constructing this argument is to note that the provision of basic services (especially health and education) is vitally important for growth. Let us consider health. Developing countries’ most important asset is their labor, the productivity of which is highly correlated with their population general health. Strauss and Thomas (1998) concluded that improvements in health do result in increases of productivity and wages. More importantly, the results are likely to be greatest for the most vulnerable, that is the poorest and those with

little education. A similar reasoning holds for education. Evidences show strong increasing social returns to the acquisition of human capital, and yet the private return may be negative at low levels of income.

This new literature provides a complete flip around of the “trickle down argument” : sustainable growth is not attainable if inequality or poverty is too severe.

5 – Other actors

Though indirectly, international firms can be said to be ‘clients’ of the World Bank, in the sense that they benefit from large contracts financed by the loans it makes to governments. Some corruption affairs have recently started to come out, and consequently some staff members have been fired.

The Bank is also part of a larger system of organizations that are charged with financing international development. The bilateral system comprises the aid agencies of 21 industrialized countries, represented in the Development Assistance Committee (DAC) of the OECD. The multilateral development system includes not only the World Bank and the International Monetary Fund, but also UN specialized agencies that serve sectoral demands in areas such as population, childcare, health or agriculture. Also, regional development Banks resemble the Bank’s structure and operations: for Latin America (created in 1959), Africa (1963), Asia (1966) and Europe (1990). As a matter of fact, the World Bank has shown that it is more likely to move when other development institutions are moving in the same direction.

III Factors

Patterns described in chapter one showed in particular that successful changes at the Bank often relies upon these changes' congruence with broad evolutions in the world at large, as well as with the Bank's internal culture.

Indeed, changes in the international environment acted as important factors in fostering institutional changes. The Bank is rarely out of step with transformations in the international environment, especially those that are broadly supported by governments and the general public.

Similarly, as Miller-Adams showed (2000), organizational culture acts a "filter" that tends to determine the depth of adoption of any new agenda. The more the agenda fits, or is fitted with, the Bank internal culture, the more likely it is to be deeply incorporated in everyday activities, practices and procedures.

Thus, it is critical to shed light on the nature of the Bank's internal culture, as well as on broad international trends that shape the Bank's external environment.

A – Internal norms and values

The concept of organizational culture refers to norms and attitudes that permeate a social unit (Schein 1990). Values, beliefs, and practices provide meaning, identity and coherence to an organization.

Within organizations as large as the World Bank, one will necessarily find various subcultures. Staff members that work on financial aspects show different norms and values than those who work on participation of NGOs and local grassroots movements. Thus, different cultural atmospheres can co-exist at the Bank, for instance a profit and assistance led thinking. Nonetheless, Miller-Adams (2000) deems possible to make some generalizations. She points out two norms, central to the Bank's identity.

1 – Where to find them ?

First, the founding charter shaped Bank culture. The IBRD's Articles of Agreement were signed in 1945 and have been amended on only few occasions. The charter is a brief document that has proved extremely flexible as far as its interpretation is concerned. It is the Bank itself that has been the main interpreter of its own legal boundaries. The Articles leave open many paths through which the Bank can pursue what it believes to be the appropriate development strategy.

In order to study Bank concrete practices, one must look at policies, directives and advice published by the Bank for use by its staff.

The most binding of these are Operational Policies that follow from the Articles of Agreement and have been approved by the Board of Executive Directors. They establish the parameters for the Bank operations. Operational policies have been issued on a wide array of topics: instruments for bank lending, preparation of project documents, environmental assessments,

etc. A second and less binding category of policy is Bank Procedures that spell out the processes and documentation needed to ensure that Bank policies are properly carried out. A third category of policy, called Good Practice, consists of advice and guidance on how to implement policy. Staff is not required to follow them, but they still represent valuable models.

This set of policies and advice form the Bank's Operational Manual. Staff refers to it when they seek guidance for their work.

2 – The “apolitical norm” (Miller-Adams)

The Bank's apolitical orientation, visible in both the Articles of Agreement and in the values and belief of its staff, plays an essential role in the institution's self-conception and permanent search for legitimacy.

The Bank's Articles of Agreement prohibit taking politics into account in lending decisions. Article IV, section 10, states that the Bank and its officers “shall not interfere with the political affairs of any member, nor shall they be influenced in their decisions by the political character of the member or members concerned”. Furthermore, the Articles also restrict the scope of the Bank to make loans in support of particular policies, requiring that all lending be for specific projects, “except in special circumstances”.

These requirements reflect the concern about sovereignty held by member States: the desire of governments not to have their domestic policies influenced by the Bank. In theory, therefore, the Bank enjoys significant independence from political pressures and judgments in its lending activities. The apolitical norm is an important part of Bank identity and legitimacy, for several reasons.

First the avoidance of politics has allowed the Bank to work with a diverse group of governments. The 180 countries that are now members of the IBRD cover a wide variety of ideologies and political cultures. In order to lend to countries with different types of political regimes and maintain enough support to underpin its expansion, the Bank has had to adhere to a set of strict technical criteria, and portray itself as ‘above politics’. As a result, the Bank did work with regimes such as Pinochet's Chile, communist China, socialist Zimbabwe and authoritarian Brazil.

Second, the apolitical norm allows staff members draw from many different countries to set aside their personal and national politics and identify themselves with the institution that employs them. The need for the Bank to maintain its apolitical stance is accepted by staff members when they join the Bank and shapes their career path from then on. To limit political temptations, nationals of a given country are almost never assigned to work directly on that country, and a special effort is made to appoint senior managers of regional divisions who come from outside the region. This staff policy is also perceivable at the Vice Presidency level. For instance, it was Jean-Michel Sévérino, a French national, who dealt with Asia at the time of the 1997 financial crisis.

Third, the Bank's apolitical identity increases its legitimacy in the eyes of its borrowers. Pressure to avoid politics come from some developing countries that oppose any interference in their internal politics. Generally anything that might offend or affect politicians of particular countries is avoided in official material. As Stern puts it, “each member country has veto power over material referring to it” (Stern, 1997).

The apolitical norm had its origin in the intergovernmental character of the World Bank and the need to obtain support from, and lend to, as broad range of governments. The Cold War

made this orientation even more pressing, as the Bank, in order to grow, had to work for instance with the Soviet Union, pro-occidental, pro-soviet or non-aligned countries.

At the end of the 1980s, with the collapse of the Soviet Union, the Bank was able for the first time to acknowledge explicitly the importance of political factors in economic development, including the benefits of representative government. Yet, despite some willingness to improve borrower countries' governance, the Bank continues to maintain that politics lies outside its mandate. The apolitical philosophy has become greatly institutionalized, even though its main motivations have disappeared.

3 – The “technical norm” (Miller-Adams)

The World Bank's second key norm is the technical nature of development problematic. In a way, this norm is the operational implication of the apolitical norm highlighted above.

Through history, the Bank has relied on techniques that involve quantitative measurements and that can be applied in a wide range of countries - whatever their political or cultural contexts. Despite the evolution of the Bank in its staffing policy, that came to take on more social scientists, the “mastery of technical knowledge based on objective and rational analysis” has remained central (Kardam 1990).

In the time when infrastructure lending was the core of Bank activity, its staff heavily relied on technical experts in highly specialized fields. Economists gained influence in the 1960s and 1970s. In the 1980s financial experts joined the Bank at an even faster pace when policy adjustment supplemented lending.

Why is technical analysis so central to the Bank's identity ? We have already seen how Chicago type economists took over Keynesians and 'development experts', in particular on the basis of their mathematical approach of economic realities - approach that gave us a highly technical knowledge that soon became the standard.

As Dichter put it, “professional practices tend to establish itself, in a young field, up to the standards that give the classical professional status” (Dichter, 1992). Economic development is a relatively new field whereby standards of competence are difficult to define. As a result, technical competences tend to emerge as a selection criterion, as one is needed anyway.

4 – The filtering role of the organizational culture

As was suggested at the beginning of this chapter, the organizational culture of the World Bank plays a filtering role in determining the depth with which a new agenda will penetrate the Bank's everyday activities (Miller-Adams 2000). Radical conflicts between this internal culture and a given agenda, will often result in a very formal and superficial implementation of the agenda at stake.

In such a case, one could jokingly talk about a 'discursive adjustment' rather than real institutional adjustment to a new agenda.

Agendas such as private sector development, protection of the environment, or structural adjustment have been absorbed by the Bank in great part because they have been conceived of technically, leaving unviolated the Bank's apolitical self-conception. The poverty agenda raised a challenge to the Bank's technical orientation. It therefore required the allocation of significant new resources to make it enforced by the Bank. The Participation

agenda challenges the Bank expert, top-down culture. However, participation advocates managed to link this theme to the more general concern over Bank efficacy, thus providing extra momentum to the new agenda. Governance comes close to openly violating the apolitical commitment of the Bank. Only mild form of this agenda was acceptable to the Bank's culture. Governance has therefore come to be conceived in narrow technical terms, tied to an efficiency discourse. Still, it has been poorly integrated into the Bank's mainstream procedures.

B – External trends in the world at large

Apart from its internal culture, to which the Bank is very responsive, some diverse external trends bear on it. These trends can be extremely important in understanding Bank changes. Here, we stress some of the most important, but surely not all.

1 - The post-war context

The post-war context gave birth to the Bank.

In the negotiations leading up to Bretton Woods, much less attention was devoted to the IBRD than to the IMF, because there was consensus on the need for the institution. It was thought that countries devastated by the war would require more investment than could be financed by domestic savings, and that official capital flows would be essential for reconstruction and development, since private international flows had been devastated by the Great Depression during the 1930s.

2 - The Cold War impact

The political pressures of the Cold War, especially those coming from the US, heavily influenced the World Bank throughout the period 1948-1990.

The Bank was formed in 1944 at which time the Western alliance was still fighting side by side with the Soviet Union. The early history of the Bank reflects the origins of the subsequent Cold War. As the relationship between the Soviet Union and the allies soured so too the plans for the post-war altered. The original plan envisaged that the IBRD would be the lead institution in facilitating finance for reconstruction in Europe. However, this scheme was soon superseded by the Marshall Plan announced by the US government in 1947, which channeled bilateral conditional funds to European governments.

The sidelining of the Bank in Europe, however, did not leave the Bank immune from Cold War pressures elsewhere. Within the Western alliance, the Bank was soon seen as an important means of supporting allies throughout Asia, the Middle East, Central and South America and Africa.

In 1948, when Yugoslavia broke from the Soviet bloc, the World Bank stepped in with loans, following the advice of the architect of the US containment strategy, George Kennan, that the West should offer the country discreet support. In Nicaragua, the US supported Somoza regime received a disproportionate number of World Bank loans (Kapur, Lewis and Webb, 1997), while offering the United States a convenient base for prosecuting the Cold War in Central America such as the 1953 overthrow of the Guatemalan President, or the 1961 Bay of Pigs invasion of Cuba.

In the Middle East, Iran was heavily supported whilst it offered an important way to contain Soviet sympathizer Iraq. As a matter of fact, in the period 1957-74, Bank lending to Iran amounted to \$1.2 billion in 33 loans (KLW, 1997).

In Indonesia after General Suharto assumed power in March 1966, the Bank immediately began a very close and special relationship. The very substantial levels of corruption, the failure to meet World Bank conditions regarding the state oil company Pertamina, not to mention the regime's human rights record, were all overlooked. Rather more important in

explaining this relationship, was the backdrop of US strategic concerns about South East Asia and communist insurgency (Green 1990). An anti-communist government in Indonesia, in the context of the Cold War, simply had to be assisted.

These examples give a sense of the way in which the World Bank became part of the Cold War. However, it must be noted the Bank's closeness to Indonesia (and other countries) also developed out of relations between Bank staff and a particular set of interlocutors: in Indonesia a group of young US trained economists who were brought into government by General Suharto. Once the Bank's technocratic interlocutors lost some of their influence, the Bank relationship with Indonesia became more distant. This story repeated in other countries allied to the West: Turkey, Mexico, Iran and the Philippines.

In all of these cases, issues of corruption, human rights abuses and failures to meet conditions of loans were overlooked in favor of generous treatment from the Bank, supported by the US Treasury and State Department.

3 - De-colonization

De-colonization directly affected the World Bank as it dramatically increased the number of Bank clients and confirmed Bank involvement in development, as opposed to reconstruction.

Moreover, state-oriented anti-colonial thought reinforced the Bank's pre-disposition to invest in large, state- scale infrastructures.

4 - The Post Cold War context

In the aftermath of the Cold War, one cannot say with confidence that the Bank has been freed from typical US influence.

The end of the Cold War brought with it a set of new geo-strategic challenges and in particular the integration of Russia and the former Soviet bloc into the world economy: not just for economic reasons but in order to safeguard the West from a new nationalist and nuclear armed Russia (Gould-Davies and Woods, 1999). The World Bank very quickly became involved in this project led by the US. The World Bank Development Reports, especially those from 1992 to 1998, clearly stressed it. Indeed, it seems that strategic and US-defined economic priorities are also influencing other lending decisions, such as loans to Gaza, Bosnia Herzegovina, as well as financial assistance in the Mexican and Russian financial crises of the 1990s.

The political influence on Bank lending leave a serious challenge for the Bank at the end of the 1990s: how to establish more autonomy over lending decisions, especially now that Cold War imperatives have disappeared. Many observers stress that the Bank needs to reinforce its character as a rule-based, multilateral agency.

5 – The spread of democracy

Democratic transitions throughout the Third World and the Eastern Bloc, epitomized by the fall of the Berlin Wall in 1989, altered the context in which most industrialized countries made decisions about granting overseas aid. Aid policies designed to shore up political allies or prevent the spread of communism lost their purpose. As donors searched for a new rationale on which to base their foreign aid programs, the promotion of democracy emerged as one prominent goal. Western leaders and bilateral aid agencies stressed the importance of democracy and governance issues in their speeches and reports.

The United States reoriented the Agency for Information Development to support democratic regimes and market economies and appointed the head of the National Democratic Institute to lead it. A new multilateral Bank, the EBRD, was established with the provision that it lends only to democracies. Foundations and other NGOs also turned their attention to the promotion of democracy abroad.

This liberal democratic governance agenda was precipitated not only by geopolitical change, but also by academic research on the link between political and economic reform. The Bank can no longer ignore it, though it contradicts to some extent its “apolitical norm” of functioning.

6 - The 1990s increase of private capital flows

Private international markets have dramatically increased their role in the past decade, diminishing by the same token that of the Bank. In 1996, it is estimated that private capital flows to developing countries amounted to \$ 231.5 billion while flows from both the Bank and the IMF were \$ 6.8 billion. No conceivable additional financing could provide the Bank anything like the importance it enjoyed in capital flows in earlier years.

The world has clearly changed. It is no longer possible to argue a ‘missing market’ rationale for multilateral lending from the World Bank. Therefore, the Bank is looking for a new rationale (see Part Two and Three).

PART TWO

What is said about the World Bank ?

Our concern here is the discursive environment in which the World Bank operates. We point out some of the major critical and supportive discourses that are heard on the Bank.

It should be clear that this paper does not mean to take side in any of the various debates that are now being exposed.

IV Criticizing the Bank

Clive Crook (1991), in surveying the World Bank in 1991, provided a convincing account of the various criticisms leveled against it. Critics say that the Bank:

- ?? applies identical remedies, irrespective of a country's circumstances
- ?? supports programs that do not work
- ?? is anti-growth
- ?? harms the poor
- ?? imposes austerity on member countries
- ?? bails out the commercial banks
- ?? has a market oriented, free-enterprise philosophy applied in a doctrinaire way
- ?? ignores the views of governments of developing countries
- ?? has no influence over the governments of rich countries
- ?? colludes with the IMF in dealing with developing countries

This list, though long, is incomplete. The Bank has also been accused, from the left, of keeping immoral right-wing regimes in power. Conservationists say its investment programs have damaged the environment. American conservatives denounce its policy of lending mainly to governments.

For many of the complaints listed by Crook, there is a complaint from the opposite viewpoint. For example, while some may say that the Bank ignores the views of governments of developing countries, some others complain that it is too soft on policy conditionalities regarding certain countries. And while some complain about collusion, others have complained that the Bank and the IMF do not coordinate closely enough.

A - Criticizing the record

Criticisms highlighted above, can be divided into several groups.

1 - Criticizing the Bank total impact

The first group of criticisms claims that the total impact of the Bank is zero or negative. The case is based on either the failure of the developing countries to have achieved better economic results than they did, or on criticisms of lending patterns. As Bandow and Vasquez (1994) put it in a fairly typical fashion :

“Multilateral lending institutions - the IMF The World Bank, and regional development banks - have flooded the Third World with hundreds of billions of dollars in aid. Since the early 1950s, the World Bank alone has lent developing countries nearly \$ 300 billion (...). Yet, after providing advice, loans, and grants to the governments of the world's poorest countries for four decades, the multilaterals can point to few, if any, cases in which their efforts have led to improved living standards and sustained economic prosperity”.

2 - Criticizing the Bank lending patterns

The second group of criticisms involves those who implicitly or explicitly believe that the total impact of the Bank is positive, but that particular practices have been deleterious. There are those who criticize the Bank as being too soft in its practices, believe that lending patterns have led to lower real returns than were attainable. Some others complain that the Bank practices have not done enough for the poor, or have failed to focus on environmental issues.

3 - Criticizing Bank impact on governments

The third set of criticisms focuses on Bank impact on governments. On the first hand, it is often heard that the Bank enabled poor or dictatorial governments to maintain themselves in strong power positions over their civil societies. According to Boward (1994), "the World Bank is helping Third World governments cripple their economies, maul their environments, and oppress their people." Boward provides a listing of actions he believes support this contention, including Bank support for Ujamaa in Tanzania in the early 1970s and for transmigration in Indonesia, lending to Chile and Korea (when the author believes they should have accessed private capital markets), and support of agricultural marketing boards (again, criticized by the Bank itself).

Perhaps the most frequently cited charge against Bank lending (both IDA and IBRD) is that, since it cannot be made without a guarantee from the government in the recipient country, and is normally to government, it must be strengthening governments and the role of government vis-à-vis civil societies and private sector. This argument has often been used to advocate more lending by the IFC and less by the IBRD.

On the other hand, Structural Adjustment Plans (SAPs) are said to dismantle government powers. So Bank impact on governments is being criticized even when it undermines State powers, because it is understood as harming the poorest.

4 - Criticizing Bank role in multilateral debt

The fourth set of criticisms has been extremely vivid. Critics say the World Bank:

- ?? poorly designed loans that did not generate sufficient returns
- ?? does not bear the cost of its badly designed loans
- ?? let corrupt governments access loans, and misappropriate them
- ?? often extracts net money from poor countries
- ?? should take into account that the poor, who depend on the government for health and education subsidies, are the worst affected by this debt situation.

As a matter of fact, the multilateral debt (World Bank, IMF and Development Banks) has skyrocketed in the last few years for the poorest countries.

For low-income countries (defined by the World Bank as those with per capita Gross National Product below \$785), multilateral debt increased by some 544% between 1980 and 1997, from \$24.1 billion to \$155.3 billion, and currently constitutes 32.75% of their total long-term debt burden (versus about 25% in 1980). For the most severely indebted of those low-income countries, multilateral debt increased by 459%, from \$10.6 billion to \$59.3 billion, with a corresponding percentage increase in their long-term debt from 22.3% to 30%.

5 – Denouncing SAPs

Structural Adjustment Programs have taken place all over the world, particularly in highly indebted countries like Latin American and African countries. The World Bank and the IMF - the main architects of SAPs - have been criticized by government officials, university academics and students, professionals, the common man and African or Latin American sympathizers for what they say is the economic and social "misery" that SAPs, through conditionality, have caused.

Let's look at some of their specific criticisms, before we analyze SAP supportive discourses (see next chapter). Most of the criticisms center around the areas of re-colonization, social costs, the "democratic wave" or political conditionality, the timing and speed of adjustment, contradictions between the World Bank and the IMF, and the similarity of SAPs pursued by otherwise different countries. We discuss each of these, next.

A - The re-colonization controversy

Some critics seem to believe that the Bank and Fund so dominate program countries that their officials have become *de facto* finance ministers in certain countries, a view that reconstructs the name and reconstitutes the role of the IMF to that of the "International Ministry of Finance" (Clark and Allison, 1989, p. 22). By "program country" we mean those countries with World Bank and IMF-backed structural adjustment programs.

They assert, for instance, that the bringing of financial and economic pressures to bear on most African economies closely resembles the period before formal colonial rule, in which the colonizing powers used to take over the running of indigenous economies. They further argue - as Lawrence and Seddon (1990) do - that this time the major world economic powers (notably the G-7) are coordinating the restructuring of the world economy through the media of the Bank and the Fund and under the tutelage of the United States.

Onimode (1988), on the other hand argues that the strings attached to SAPs most clearly represent the extent of the stifling control of African countries exercised by the Fund and Bank, as well as the greatest threat of "imperialism's re-colonization of Africa."

A more aggressive criticism of conditionality is provided by Zeleza (1989, p.35), who laments that "it has been a raw deal for Africa. In exchange for puny loans, which are subsequently over-repaid, the IMF and World Bank, on behalf of their godfathers in the developed capitalist countries, have accorded themselves the right not only to supervise individual projects, but to manage whole economies entirely: approving their annual national budgets, foreign exchange budgets and fiscal and tariff policies; issuing clearance certificates before these countries can negotiate with other foreign agencies; and even posting representatives to their Central Banks and Ministries of Finance and Trade. As during the colonial era, it is Africa's masses who are paying the price with their sweat, tears and blood."

B - Social costs of adjustment

A number of the critics of SAPs as implemented in Africa and in Latin America argue that the strings attached to loans have worsened the human condition, defined by Shepherd (1990) as a deterioration of the social conditions involving the basic human rights to food, education, employment, shelter, health, clean environment, and security of person.

Any country-specific adjustment process that is not carefully cognizant of serious social costs cannot in fact, in the end, be considered effective. Indeed the contention here is that treating the social dimensions of adjustment as a side issue - as opposed to a core one - dooms the process to failure. Ultimately as Cornia, Jolly and Stewart (1987, p.3) point out, "the call for a

more people-sensitive approach to adjustment is more than a matter of economic good sense and political expediency. It rests on the ethic of human solidarity, of concern for others, of human response to human suffering."

C - Governance

Increasingly eye-catching on the Bank and Fund conditionality menu in the 1990s is political conditionality, defined as the tying of official aid disbursements to the quality of government (governance) that aid recipients provide. In the view of the World Bank, facts suggest that political legitimacy and consensus are a precondition for sustainable development.

But there are grounds for caution— especially with regard to Africa— about the possible economic consequences of democratization. Critics such as Killick (1992) argue for instance that empirical research does not find any robust connection between democracy and high-quality economic policies any more than dictatorship is systematically associated with poor economic results. In other words the question to ask is whether hard-driven adjustment programs in countries run by dictators are more coherent and successful than those undertaken under democratic conditions. The argument against the soft-state criterion (democracy) is that consultation takes time and increases transaction costs. Some people argue that one reason the adjustment program in Ghana has been more successful is because President Jerry Rawlings is more of a dictator than a democratic leader.

D - Speed of adjustment

Yet another criticism emanates from the timing of SAPs versus the stringency of measures expected to promote adjustment and growth. In a nutshell, most measures are short-term, yet adjustment is a long-term process.

In addition to the more technical issues of SAPs argued in the literature, there are also the behavioral changes needed for SAP success but which, in reality, take a long time to come about. The people of Africa are mostly conservative and slow to adjust. It is easy to fly into an African country and tell people to devalue their currency and then fly away. But there is the problem that the people left behind are the ones who have got to stay alive. They have to make all the painful adjustments. And the more marginal the economy is - as most African economies invariably are - the more the downside risk and resistance to the sort of attitudinal and behavioral changes SAPs take for granted but that are critical for success.

Regarding Africa, it is argued that SAPs overlook Africa's limited capacity to adjust, especially rapidly (Helleiner, 1983). The traditional conditionality instruments of money and credit restraint, devaluations, and liberalization - all pursued within a fairly short period - cannot be expected to be as effective in the typical African country as elsewhere.

As Helleiner (1983) points out, in Africa the capacity for short-term adjustment is constrained by four major factors: 1) limited economic flexibility and limited short-term responsiveness to price incentives, 2) low and falling levels of per capita income and urban real wages, 3) limited technical and administrative proficiency within governmental economic policy-making institutions, 4) fragile political support for many of today's governments.

In other words, SAPs in their current form ignore the fact that the production base of post-colonial African states is narrow, and that the bulk of these states rely on one or two export products whose prices are often unstable in the international market for their foreign exchange earnings. Faced with unpredictable export earnings, most African states find it

difficult to service debt and at the same time pay for desirable imports, notably oil, medicines and equipment.

E - Contradictory effects of SAPs

The demand-management approach of the IMF (which emphasizes imports-restraint) and the supply-orientation of the Bank (which emphasizes exports) are not always easy to reconcile (Killick, 1992b). There is the danger that Fund-type programs which envisage large reductions in imports will erode export supply responses, to say nothing of the costs imposed by way of foregone output.

Zambia, during much of the 1990s, is a classic example of this contradiction. While market reforms have tended to eliminate price distortions, for example, floatation of the Kwacha (the local currency) have been "popular" not for their success in boosting non-traditional exports as intended, but rather for fueling galloping inflation. It has led to rising input costs in a manufacturing sector still largely (over 60 percent) dependent on imported spares and raw materials. Zambian imports of spare parts, oil and intermediate goods are essentials that have not been reduced by devaluations without seriously affecting domestic industrial capacities.

F - Identity/similarity of SAPs

A final major criticism is that most of these countries pursue similar reform programs and face the same Bank and Fund conditionalities. As part of SAP they all aim to reduce imports. If one country's imports are another's exports and the former are cut as part of the demand-management approach, this obviously affects exports. In 1991, for example, Zambia's exports to Zimbabwe were reduced because, as part of its own SAP, Zimbabwe had to reduce its imports in line with its own tight foreign exchange situation. This amounted to a loss of export earnings for Zambia.

B - Criticizing the structure

Another set of criticisms has focused on the bureaucracy of the Bank. Here the argument concentrates on the size of the staff, delays in decision-making, lack of transparency, lack of flexibility, lack of political neutrality and, sometimes, lack of pro-democratic activism.

1 - Need for a true apolitical nature

The accuracy of the Bank's claim to apolitical behavior has long been subject to debate. Not entering politics is already doing politics: NGOs regularly attacks the Bank on the ground that it has been *de facto* supporting dictatorships and military regimes. Officially, the Bank has deemed political considerations to be generally irrelevant to its operations. On the other hand, the Bank acknowledged very early that it couldn't ignore "conditions of political instability or uncertainty which may affect the economic and financial prospects of the borrower" (IBRD 1954).

Various scholars have made the case that the World Bank has never been apolitical as it maintains, strengthening NGOs' argument. Drawing on David Baldwin (1965) and Bartram Brown's (1992) argument, one can identify four respects in which the World Bank is truly political: 1) its staff unavoidably takes political considerations into account in its lending decisions, despite the formal ban on doing so; 2) Bank activities have political effects in that they alter the distribution of influence among international actors as well as national actors; 3) the Bank acts politically when it attempts to get governments in borrower countries to do things they would not do otherwise; 4) the United States often attempt to use their voting power to serve political purposes determined unilaterally by Congress.

2 - Need for democratization

Arguments for democratization affect the World Bank and the IMF more than most other international economic forums. Unlike the Group of Seven (G-7) or the Bank of International Settlements (BIS), the Bank and Fund are genuinely international organization with near-universal membership. Moreover, their work directly affects the lives of people all over the world and theoretically these peoples are all represented by governments on the Boards.

Critics points out that this representation is too weak and that the institution needs democratizing so as better to represent and be accountable to those it affects. Some points to voting power on the Executive Board, emphasizing that it under-represents governments of developing country borrowers, who are not only most affected by the Bank but also generate the major part of its income. The share of votes held by developing countries has been underrepresented owing to the GDP calculations used in determining quotas.

Others argue that government representatives from borrowing countries inadequately represent the groups and communities most affected by Bank policies. Therefore, the real challenge for the Bank is to become more open and accountable to grassroots, NGOs. This challenge has entailed strong responses and reforms from within the Bank.

3 - Need for transparency and participation

Many NGOs ask for institutional reforms to make openness, full public accountability and the participation of affected populations in decision-making, standard procedures at the World Bank.

While modest steps have been taken toward greater openness, the argument runs, they have been inadequate to allow for consequential participation of affected populations and have had no positive effect on project quality. Even when consultative mechanisms are called for by current World Bank procedure, staff often sidesteps this requirement. For example, acting against the requirements for Environmental Assessments, the World Bank regularly fails to consult with affected communities and continues to lend for environmentally destructive projects. Likewise, the secretive process through which SAPs are designed and implemented continues to undermine democratic participation and the local relevance and effectiveness of the reforms themselves.

For instance, the well-known '50 Years Is Enough' platform, available on its website, calls for:

?? Full openness and systematic consultation by the World Bank and IMF

"To be relevant to the needs of local populations, adjustment programs must be designed locally by all relevant sectoral ministries with the active participation of a broad range of representatives from civil society. At the World Bank, more time must be allocated early in the project cycle to allow for sufficient local consultations so that affected people can participate in project development. To ensure that women as development actors are fully represented in this process, and to address the historical exclusion of women from decision-making structures at local, national and international levels, specific mechanisms need to be established for their full inclusion."

?? Full disclosure of information at the World Bank and IMF

"Citizens must have full access to all Bank documentation required to make informed and effective input into the program-development process. This calls for the revision of the institution's information policy to ensure the release of key internal papers, including project and program documents, from the early stages of the planning process."

V Supporting the Bank

A - Supporting the structure

What is the rationale for the current bundle of activities the Bank undertakes, namely lending, policy advice, information provision, training and research ? A case can be made that these functions are mutually complementary and that the spillovers from each one to the others are significant.

1 - Justifying multilateral lending

The IBRD provides loans somewhat below market rates and the IDA provides concessional loans with a very large aid component. Why is there such multilateral lending ? This question contains two separate ones.

A - Multilateral versus bilateral

It is sometimes forgotten that the Bank undertakes a form of global redistribution, as it enables some of the most conservative and risk-avoiding money (pension funds) to finance world development. The argument in favor of global redistribution of this kind mirrors the argument of the welfare state within a given nation: the Bank provides a conduit for funds, which enables richer countries to give aid to poorer countries without leading to direct bilateral political power relations with them. In other words, channeling aid through a multilateral agency enables donors to pre-commit not to impose political conditions or economic conditions - such as tying the aid to purchase of the donor country's goods.

Moreover, as an intermediary, the IBRD monitors the activities of its borrowers, and presumably does so at lower cost than individual lenders could do. The IBRD enables those borrowers that are creditworthy to access international capital markets on more favorable terms than they could otherwise, because they can use the IBRD's creditworthiness, based in turn upon its member states.

Another line of argument points out 'government failures', that is governments' shortcomings in engaging in appropriate policies. This argument calls for conditionalities to be imposed upon governments. These conditionalities, in turn, are likely to be best accepted if coming from a multilateral agency, as opposed to any national development agency.

B - Why is there lending at all ?

The initial conception of the Bank stressed "capital market imperfections" that prevented most developing countries from gaining access to capital. But here is what has happened : for some highly creditworthy countries such as Korea and Thailand, IBRD lending rates have not been significantly below the rates governments have been able to obtain on their own, although the repayment period has been somewhat longer (usually a decade and a half or more); for other countries, such as Russia and Mexico, the IBRD's lending rate has been significantly below commercial rates even though those countries had some access to capital

markets. It is evident to observers that most Latin American, Southeast and East Asian countries now have an adequate corps of experienced personnel and sufficient access to private capital markets that it makes little sense for the Bank to undertake in these countries ordinary project lending. The Bank might be led for middle-income countries such as Chile, to phase out gradually its lending activities.

The capital market failure argument for multilateral lending makes now makes little sense, as private capital flows outweigh official development aid. It no longer provides a major rationale for Bank lending.

However, it can be argued first that private capital flows are on terms that are too short for developing countries, are not available in a timely fashion, or that there are other market failures. Many observers are highly skeptical of the rationality of short-term capital flows, and swings in capital flows to developing countries.

Even more important, are the last poor countries, where private capital flows are still small, and where Bank lending for projects is still badly needed, especially in infrastructures, education and health. Over the intermediate term, newly independent countries of Central Asia as well as most African countries can benefit considerably from the Bank's continued role as a project lender. The same is probably true of other very poor countries such as Haiti, Nepal and perhaps some South Asian countries. At least, for the foreseeable future, there is probably a valuable role that the Bank can play in project lending to very poor countries, similar to the role it played in Latin America and Southeast and East Asia countries in earlier years. Such a role would be considerably reduced from that the Bank currently plays. The Bank would become more of a second player, supplementing private markets.

Still, there are questions as to the types of lending that should be undertaken. Many of the very poor countries, plus some middle-income countries, are greatly in need of major renovations in their economic policies. Until such an overhaul is underway, evidence strongly suggest that Bank lending could be very successful if confined to basic infrastructures, such as education, health or development of agricultural research. Finally, regarding the Least Developed Countries, the question arises whether strongly increasing IDA support is the right step to take.

2 - Supporting policy advice

Until the 1980s, the Bank policy advice was relatively narrowly focused on the issues directly associated with its project lending: borrowers, would be asked, for instance, in connection with lending for power projects, to adopt pricing policies for electricity which would insure a sufficient financial return to permit maintenance of the facility and adequate return on capital. By the 1980s, this concern broadened not only in project lending, but as the necessity for policy reform was strongly felt at the Bank, through structural adjustment lending.

Real returns on investments in a country are in significant part function of the overall macroeconomic framework. Hence, the World Bank focuses on policy issues even when undertaking project lending. For instance there is little point in lending to support increases in agricultural productivity through research and extension activities, if producer prices for agricultural commodities are significantly depressed due to domestic policies or the exchange rate.

Moreover, it is clear that economic policies are significant factors in influencing rates of economic growth : the Bank's focus on development implies a concern with these issues. An international institution that facilitates policy reform is likely to be more effective than the

efforts of scattered creditors or bilateral donors, each of which would receive only a fraction of the spillovers from a changed economic regime. Whereas the IMF has focused its policy advice on much the same set of macroeconomic issues over time, the Bank has always concentrated primarily on issues affecting resource allocation.

As Gavin and Rodrik (1995) put it : “ It is more plausible to locate the Bank’s comparative advantage in assisting development in the presence of weaknesses and distortions in member countries’ domestic political processes that in overcoming the international capital-market imperfections that so concerned its founders (...). The Bank’s role as a policy adviser and institution-builder has been the key to its impact on economic development. “

However, whatever the critics say, estimating the impact of policy advice is difficult. First, there are always a variety of groups within governments, some of which oppose and some of which support change. Bank staff and the availability of financial resources can strengthen the supporters of reform. Second, it is not always clear when and to what extent policy advice has been accepted and implemented. Third, some governments want to claim credit for policy change under all circumstances, while others want to blame the entire set of policies on ‘foreign devils’. Given diplomatic constraints on the behaviors of participants, the true negotiating positions are often not known.

Does the World Bank have a comparative advantage regarding policy advice, as compared to bilateral agencies, or private capital markets ? Again, Gavin and Rodrik (1995) have suggested an answer: “The Bank is not generally considered the property of any country or group of countries. The Bank’s policies often attract enormous hostility from both governmental and non-governmental observers but because of its international character the hostility generated by unpopular advice and conditionality is almost certainly less, and its ability to withstand political pressures substantially greater, than could be true of any national development agency “.

One can also argue that the costs of learning a critical amount about economic policies in a country are sufficiently high that it does not make sense for many individual industrialized countries each to invest in that effort. Cost pooling is economic. Actually, this was a major rationale behind the Peterson Report (1970), which shifted US foreign aid efforts more towards the World Bank and the IMF.

As to why private lenders cannot perform Bank functions, a first answer is that coordination is more likely to be best performed within a single agency. Therefore, a competitive market could not spring up in the business of evaluating developing countries programs. Actually, private agents do perform these functions in part. However, the general experience is that private creditors are reluctant to extend credit unless Bank and Fund have first signaled their acceptance of economic policies.

The Bank has also facilitated international capital flows by providing investors with some assurance that even in worst case scenarios, the possibility of a Bank supported program can enable policy reform and resumption of economic performance.

3 - Supporting research

The World Bank was not particularly meant to do research when it was created. As a result, it was not active in this field during the 1950s or 1960s. Its role in research really began with Hollis Chenery, who not only introduced the tradition of seeking empirical norms across countries, but also led in analysis of important issues such as the linkages between growth and income distribution and other major policy issues of the 1970s. The Bank pioneered in publishing its annual *World Development Report*, which annually brings together academic

and Bank researchers to produce a volume that synthesizes knowledge on important development issues.

Today, World Bank research and publication are widely distributed around the world. The Bank is probably the single most important external source of ideas and advice to developing-country policy makers. Its role in research has been acknowledged and praised by the academic world too.

Still, what is the rationale for it ? Lyn Squire (2000) recently provided the two major arguments.

Creation and dissemination of knowledge have the key attributes of a public good. Knowledge is a non-rivalrous and non-excludable. As is well known, these two attributes result in undersupply : individuals and firms will under-invest in the creation of knowledge because they receive only a small part of the total benefit to society, but they bear the full costs. Then government can step in, but again, knowledge spills over from nations to nations. Therefore, no single country or private organization has the incentive to undertake the research necessary to create such knowledge. International institutions can help fill this gap.

Now, why should the World Bank undertake research itself rather than support research in other institutions ? The main reason is that it is difficult to structure incentives such that outside research institutes will deliver the kind of research the Bank seeks to promote. The Bank could probably devise incentives to deal with the issues of relevance and quality. But without an in-house capacity, integrating the results of research into the World Bank's everyday operations and making those results available to policy makers in developing countries does not happen. This requires an "in-house champion". This then supplies the primary rationale for in-house research capacity at the World Bank.

4 - Supporting information provision

In addition to its pure research role, the Bank has contributed to knowledge in other important ways. These include the compilation and systematization of basic data, for instance through the *World Development Indicators* that is frequently used by researchers all over the world. Another example is the *Living Standards Measurement Study*, which has been a valuable source for research on household questions pertaining to demography, education, and labor market participation as well as income distribution. The Bank is also the institution that collects debt data and publishes them annually in its *Debt Tables*.

Complaints at the outset of the 1982 debt crisis were that the Bank was doing an insufficiently good job of collecting the data, and that more effort was needed. In the aftermath of the Mexican devaluation in December 1994, the calls from private parties and governments were for the Bank to find means to provide reliable statistics on borrower countries in a more timely fashion.

5 - Supporting the 'tutelage function'

There are four aspects of 'training' under Bank supervision, none of which is widely recognized. Harberger famously named this aspect of Bank action, the "tutelage function".

First many people spend several years at the Bank, learning about economic structures, responses and policies in a comparative context; thereafter, on return to their countries, they are often pillars of economic policy teams.

Second, the Bank provides training and programs through its Institute, designed to help civil servants in member countries. The World Bank Institute sponsors courses for mid-level officials in project evaluation, monetary economics, maintenance of debt statistics and a variety of other governmental functions where many developing countries find themselves with little qualified personnel.

Third, the Bank had financed thousands of students from developing countries as they pursued their studies abroad.

Fourth, the Bank provides non-formal training in many ways. Harberger was one of the first to point them out : "I hold the profound conviction that the World Bank and the IMF have performed extremely important tutelage functions in ways that many people do not realize. I am referring to the upgrading of member country personnel through a) the 'apprenticeships': that many of them serve as staff members the Bank and Fund, b) the direct 'lessons' learned by government personnel in member countries through dealing with missions from the two sister institutions, and c) the similar but rather more specific lessons that member country cadres have learned by going through the Bank's process of project evaluation at the various stages of a project's development. Each of the above entails as special kind of 'on the job training' that the Bank is in my view uniquely qualified to impart. " Harberger (1984)

It is difficult to evaluate the overall impact of these programs and informal actions, but that their value is positive seems evident. Harberger, in its evaluation of the Bank, clearly believes that their contribution is very high, to the point he recommended that the Bank "should place first priority on its tutelage role".

B - Supporting the record

Now, are pointed out reasonings that support the Bank's record and systematically dismiss criticisms highlighted above.

1. Supporting the Bank total impact

According to economists that defend the Bank's record, the argument that living standards have not risen is patently false for most developing countries. To make the argument that the Bank has had a negative total product, one would have to provide an estimate of what would have happened without it, but provision of a 'counterfactual' is impossible. Moreover, several considerations suggest that the Bando-Vasquez type of argument is simply wrong.

First, one can contrast the growth rates of developing countries (total and per capita) in the post-war period with that of earlier times. On that criterion, growth has clearly accelerated. Second, one can contrast growth rates (or another indicator of success) of developing countries with postwar forecasts: one finds that growth exceeded the forecast rates. To make a case that the Bank has had a negative impact would, therefore, require an argument that developing countries would have performed even better in their absence, and there is little certainty and no clear basis for that.

A more sophisticated argument that the Bank had a negative total impact could focus on its role in strengthening governments (since their lending is to governments) and argue that the availability of World Bank support permitted governments to pursue inappropriate policies longer than they otherwise would have.

Again, economists could say 1) with all counterfactual arguments, the issue can never be decided 2) but a reasonable reading of postwar thinking on development (and the role of the state in economic activity more generally) would suggest that extremely interventionist and counterproductive government policies were widely believed to be the appropriate instrument for development. The learning that took place, it can be argued, was more rapid because the Bank provided a comparative perspective, data and insights that arose from the common features of experience across countries.

Moreover, many of the project loans and credits extended by the World Bank contained a considerable element of technical assistance and institution building which enabled countries to develop their own capacities faster than would otherwise have been the case. There is evidence that experience in the 1950s under Bank and bilateral aid programs provided a learning by-doing environment for many later entrepreneurs and managers in developing countries.

An even cleverer way of supporting the Bank's record, is to turn the question around and ask how much difference the Bank might reasonably have been expected to make. A plausible upper bound on that difference can be estimated by noting that there is no country outside Sub-Saharan Africa where the total capital inflow from the Bank has amounted to more than 2 percent of GDP annually, and in most it has been significantly smaller. If one estimated that the net real rate of return (i.e. net of whatever loan repayments or dividend repatriation occurred) to that capital inflow was 10 percent (a high number) then the total capital inflow could have resulted in a rate of economic growth of no more than 0.2 percent per annum (Krueger, 1997).

While two-tenths of a percent per year is significant in the context of poverty, it is hard to believe that those flows, by themselves, should have led to 'sustained economic prosperity'. Indeed, given those orders of magnitude it is difficult to understand how Bank activity, or capital inflows in general, might have been expected to result in a quantum leap in economic performance.

To the extent that Bank contribution was any greater than this estimate, it surely resulted from the fruits of policy advice, technical assistance, training and the more rapid spread of knowledge, and other informational services provided by it. Expecting more of the Bank would therefore imply a very high product of the research-information-policy-advice functions.

Following these reasonings, one may be led to conclude that the World Bank played an important role with respect to the developing countries' improving economic results and policies. Finally, the availability of financial support in the process of designing reforms often played a significant and positive role in strengthening the positions of the reformers.

2. Supporting the lending patterns

If one rejects the negative total impact argument, one is nonetheless left with the claim that much lending was misdirected.

The argument that lending had a lower real rate of return than it might have had has two parts. First is the claim that conditionality was too soft, in the sense that domestic economic policies were not conducive to growth. The second is the proposition that the Bank supported or perpetuated governmental intervention in the economy. It is easier for critics to support these claims and to be concrete, than it is to show total negative impact. Since there were ill-advised loans (at least ex-post), it is easy to point to individual cases: surely lending to Ghana during the period from 1970 to 1984 was not productive, and there are many similar cases in other countries where the domestic economic policy framework was so poor that lending could not be fully successful. There is little doubt that the Bank has undertaken programs in countries where it is evident that they were unwarranted. To some extent, this is because of political constraints.

However, the argument runs, there has been learning about the development process. Earlier thought regarding development, both at the Bank and in academic institutions, did not focus on the importance of appropriate economic policies to the same extent as does current development thinking.

The same can be said for types of lending within countries. In earlier years, the World Bank lent for steel mills, paper factories, fertilizer, and chemical projects, among others, in the public sector (Mason and Asher). But much of that lending took place at a time when many economists believed that there was no reason why the public sector should not engage in these activities. Developing countries were themselves investing in these activities, often led by an industry-biased anti-colonial thinking.

One could therefore argue, that the Bank has been one important factor in bringing about recognition of the need for altering investment programs in developing countries and with them, its own lending programs. In other words, the argument runs, to say that the Bank (just as bilateral aid agencies, and policy makers in developing countries) made mistakes is correct. However, as the Bank itself was among those in lead in recognizing those mistakes, it is difficult to allege a negative productivity.

3 - Supporting Bank impact on governments

According to Boward (1994), “the World Bank is helping Third World governments cripple their economies, maul their environments, and oppress their people.”

Except for lending to Chile and Korea (which might or might not have been handled by the private sector, but which arguably did not make the poor worse off even by some critics’ allegations), most observers would be sympathetic with Boward’s view that projects he mentions were at best of doubtful value. Boward, however, like most extreme critics does not provide what most economists would accept as a clear argument in support of his case.

Loans such as those for steel mills, the establishment of chemicals factories, and even tourist facilities in the 1950s and 1960s, are clearly subject to the critique that they support increasing the role of the government precisely where it has a comparative disadvantage ; moreover, experience in almost all developing countries is that the public sector has shown ineffectiveness in its ability to operate these types of activities. A small fraction of Bank lending was of that type, however.

Moreover, it is not necessarily true that all lending to governments necessarily increases governmental controls over the private sector or the civil society.

There are loans that may reduce the degree of governmental control of the economy: loans in support of trade liberalization are an obvious example. But many other types of loans can also reduce governmental controls: financial sector liberalization can remove credit rationing and thus prevent government direction of credit; and support for policies freeing agricultural prices or removing state marketing board monopolies over inputs or outputs can greatly reduce government controls in agriculture, to mention just a few examples.

In the case of trade liberalization, the reasons why support can reduce governmental powers are fairly straightforward. When countries have had inadequate incentives for exports because of unrealistic exchange rate policies, and have simultaneously provided heavy protection for import-competing industries, bureaucratic control of economic activity (through the power to grant import licenses) has been enormous. When policy reform is undertaken, the domestic authorities are not in a position to undertake trade liberalization without foreign exchange to finance imports during the transition period: lending to government in support of trade liberalization can evidently reduce or eliminate the values of import licenses, and thus the control of the private sector by governments.

It is true that there have been significant mistakes by the Bank in providing support for governments whose policies were gravely misdirected. However, one could make the argument that there has also been considerable learning, by the academic community, the development policy community and the IFIs. As that has taken place, the extent to which the Bank is vulnerable to the charge of supporting poor governments has been considerably reduced, to the point now that ‘governance’ is an open Bank agenda.

4. Supporting the Bank’s organization

Yet another set of criticisms has focuses on the bureaucracy of the Bank. Here the argument normally focuses on the size of the staff, delays in decision-making, lack of transparency and flexibility in processes. Here a counter argument would generally acknowledged most of these criticisms, and point to the fact that the World Bank has deeply evolved in response to them.

The Bank is currently downsizing its staff, putting a greater emphasis on recruiting more socially concerned social scientists, such as sociologists or anthropologists, to the expense of economists - still very influential though.

Regarding the lack of transparency, one can only acknowledge the great efforts undertaken by the Bank, so as to render public an increasing portion of its working documents. The Bank has arguably adopted a broad-ranging policy of disclosure of information. NGOs have played a vital role in monitoring the Bank, increasing its transparency and introducing a new kind of accountability. The Bank's website constitutes a wide source of data of all kinds as well as of Bank reports. However, it must be noted that this transparency policy finds its very limit in national governments' sovereignties, as member countries possess a *de facto* veto power upon the release of Bank documents relating to them.

As a major step forward, in 1993 the Bank established an 'Independent Inspection Panel' with the mandate to receive and investigate complaints about Bank-supported projects in which the Bank has not followed its own policies and procedures with respect to the design, appraisal or implementation of a project. The first case accepted by the inspection panel was the Arun III Dam project that was undertaken by the Nepali government. The panel's findings questioned whether in preparing the project, the Bank had followed its own indigenous people and resettlement policies. The project, though strongly supported by Bank senior management, yet in the end was rejected by the Executive Board (Fox and Brown, 1998).

5 - Supporting the Bank's role in multilateral debt

Regarding the debt problem, one cannot ignore that the Bank, together with the IMF have been instrumental in promoting the so-called "HIPIC initiative", on Highly Indebted Poor Countries, launched in 1996. Now, debt reduction is a Bank top priority. At the September 1999 IMF and World Bank meeting, the decision was taken to cancel 80% of multilateral and bilateral debt stock of 33 Least Developed Countries. International and bilateral creditors of the Paris Club will share costs.

This program is currently moving fast. However, many NGOs argue in favor of a total, unconditional, and immediate debt cancellation, especially on the ground that 1) debt cancellation is profoundly just, given the larger picture of North-South inequalities 2) the poor, who depend on governments for health and education subsidies, are the worst affected by this debt situation

The international campaign for debt cancellation is led by these two powerful ideas. Regarding the 'justice argument', one should point to the fact that worst managed countries will benefit most from the HIPIC initiative. The 30% of the world's poor people, that live in India, will not benefit from HIPIC, as India had the unfortunate tendency to manage its resources well. To many observers, it is patent that it is unfair to cancel debt without paying attention to a country's performance. Regarding the second argument, one should not forget that aid is "fungible". As Paul Collier and David Dollar showed, debt cancellation will benefit the poor only if governments decide to allocate new money to social services, which is by no means guaranteed.

6 – Supporting SAPs

How can one respond the many criticisms addressed to SAPs ? Here is a synthesis of arguments found in the literature, mainly focusing on Africa's experience.

A - On "re-colonization"

The "re-colonization" criticism may be largely misplaced. There simply is no evidence to suggest that the Bank has any imperial *interests* in any African territory, even without considering that the ending of the Cold War has recently began to radically change European and American interests in Africa. It would certainly seem, at the moment, that in geopolitical terms Africa is of very minor interest to the West— certainly not for its territory, although it continues to be vital as a source of raw materials for Western factories and a market for Western goods.

B - The counter-factual argument

A useful starting point in defense of conditionality is the fact that most of the criticisms leveled against the Bank ignore the counter-factual: most African nations embarked on Bank and IMF supported SAPs in the early 1980s because of economic distress. What would have happened in the absence of SAPs ? Although counter-factuals are hard to prove, in most African nations it is easy to make educated guesses as to what would have happened, and it is most probable that even if economies have continued to perform poorly under SAPs, they would have performed even poorer without them.

C - Africa needed to Adjust

Not too many people would disagree with the view that Africa's "disarticulated" economies are overdue for fundamental restructuring, and that SAP would probably accelerate the process of rational allocation of productive resources. African countries embarked on SAPs because they found what Edward Jaycox (the long-serving World Bank Vice-President in charge of Africa) calls "their backs to the wall". Jaycox says most countries did not introduce SAPs enthusiastically: "They entered into SAPs because they were desperate and when they did so there were no goods on the shelves, no spare parts, no trucks, no batteries and no tires, no drugs in the clinics, no chalk and books in their schools." (in *The Courier*, 1991)

D - Evolution of Policy

According to Avramovic (1989), conditionality has contributed to policy evolution in Africa in at least four areas:

1) Fiscal discipline

Many problems facing African nations - in their accounts, domestic inflation, administrative controls, price distortions, and insufficient investment - have their origin in the fiscal imbalance. In countries suffering from hyperinflation, monetary stabilization may be a precondition for recovery of public revenue and thus for reconstruction of public finances generally. But monetary stabilization will not be possible to sustain unless fiscal discipline is restored. The argument is that conditionality helps to bring about this discipline.

Moreover, both the Bank and the IMF have become more flexible, relying less on simple budgetary aggregates such as total spending or the budget balance and more on the

"quality" of fiscal adjustment. Since the economic impact of their fiscal provisions will be much affected by which expenditures are cut and what is done with taxes, the Bank and Fund are becoming more insistent on knowing how a government proposes to implement promised reductions in the budget deficit - increasingly urging governments to install social safety-nets and asking what questions about military spending, a perennial problem in Africa.

2) Export expansion

Export expansion of manufactures now commands wide support. It provides for economies of scale: the larger the market in which one sells, the greater the possibilities of expanding production, perhaps at falling costs, and expanding sales, probably at unchanged prices, thus raising employment, income and profit margins. Furthermore, rising export earnings will help alleviate the foreign exchange constraint to growth, a critical issue in most African nations. The argument is that conditionality helps to increase the outward orientation: devaluation, for instance, aims at making exports more attractive on the world market, thereby providing exporters with some incentive to export more.

3) Management of public enterprises

Public enterprises in infrastructure, goods and services production, and trade represent a large proportion of the total in many developing countries (about 80 percent in Zambia prior to the current, half-way complete privatization program implemented in 1992). Their management and finances have a major effect on public finance and credit in general. Management weaknesses have been frequent in most African State-owned enterprises, mostly because of political patronage or insufficient operational autonomy; and finances have frequently been weak because they have been used as a vehicle for subsidization of consumption, as a source of employment, or as a conduit for irregular transactions. The World Bank, as an investment project lender, has emphasized institutional building at the enterprise and sector levels. African nations have now become increasingly aware of the need to improve and upgrade the operations and management of State-owned enterprises, with many now engaging in outright privatization.

4) Agricultural prices

Concerned with the agricultural lag in a number of African nations and their rising food imports, the Bank has insisted on improvement of agricultural prices in internal markets. It has normally made its agricultural lending conditional upon price improvements where warranted. The need to provide adequate price incentives in agriculture is now recognized in a very large number, perhaps most, African countries.

To the extent conditionality increases and improves Africa's awareness and appreciation of the problems and choices it faces, that in itself is a measure of success. This has some truth in it, as several governments have increasingly become persuaded of the importance of financial discipline.

E - Infrastructural inadequacies

The Bank is aware that the supply response to adjustment in Africa has been slow because of the legacy of deep-seated structural problems. It admits that inadequate infrastructure, little developed markets, rudimentary industrial sectors, and severe institutional and managerial weaknesses in the public and private sectors have proved unexpectedly serious as constraints to better performance in Africa. Hence the Bank is now increasingly aware that technological change, institutional strengthening, infrastructure development, improved

education and health standards including reduced population growth, land reform and other major hurdles to economic development have to be addressed.

F - Conditionality is unavoidable

The Bank has a right to safeguard the resources transferred to it by member governments. Although conditionality remains controversial and generates resentment, it is hard to deny that those who provide assistance and loans can legitimately take an active interest in the design of the recipient country's policies. As an IMF official once said : "Conditionality is legitimate. You can't expect to borrow and use somebody else's money and not pay back".

G - Social costs: the counter-factual argument

Let's once again invoke the counter-factual. Social costs could possibly have been much worse without SAPs, if African economies were allowed to go into what Jaycox calls "free fall". Whether on balance Fund and Bank programs have made poor people poorer is unclear and will remain so. This is so because the comparison has to be not with pre-crisis years, but to what would have happened with the crises had there been no internationally backed program. Counter-factuals are, of course, always hard to prove, but the record of "go it alone" rehabilitation and recovery efforts - such as Zambia's after abandoning the IMF-program in May 1987 - is not particularly satisfactory.

H - Scapegoat

In the absence of policy conditions accompanying loans to Africa, the danger is that financial assistance can be - and in some cases has been - used to defer needed action, to buy time in the hope that some favorable turn of events will remove the necessity for unpalatable action. Bank involvement can help through the provision of advice and technical assistance in the preparation of adjustment measures. Killick (1992b) makes the useful point that they also provide African governments with a useful "scapegoat" upon whom the blame for unpopular measures can be deflected - as has indeed happened in the overwhelming majority of program countries.

I - Conclusion

With regard to both the criticisms and defenses of conditionality, that there are some sound arguments on both sides. SAPs are criticized, for instance, for worsening the human condition. However, it is not easy to disentangle the impact of policy strings from non-conditionality factors. The counter-factual argument raises the question of what would have happened to the overall pre-SAP economic and social crises had there been no Bank and Fund programs. We noted that counter-factuals are hard to prove, but the record of third world nations that have attempted "go it alone" recovery efforts is not encouraging.

PART THREE

What has changed at the World Bank ?

This section provides a very synthetic account of major World Bank's life transitions. It then points to changes that are underway.

VI Majors World Bank evolutions

A - Early evolutions

1 - Changing the mission: from reconstruction to development

The original Bank mission was based upon the presumption that war-devastated countries could productively use investment additional to that which could be financed by domestic savings but that private sources would not provide it. The International Bank for Reconstruction and Development was supposed to be a financial intermediary providing finance for productive projects, primarily for reconstruction purposes. The IBRD was empowered either to borrow in private capital markets and then itself lend the proceeds or to guarantee loans made directly by private creditors. In practice, the IBRD lent and made little use of its guarantee powers.

However, immediately after the Second World War, economic dislocation was so great that Bank resources were dwarfed by those of the US in the reconstruction effort. The Bank was not immediately able to make a major contribution to reconstruction.

As many countries gained their independence from former colonial powers, the role of the World Bank as a lender for development projects expanded, predominantly in infrastructures, replacing its earlier role which had been confined largely to finance reconstruction. In so doing, the Bank became a provider of technical assistance as well as capital.

2 - Changing the structure : involvement of private sector and poorest countries

As the Bank's efforts shifted to development in the mid-1950s (an emphasis not foreseen by the postwar planners), it became evident that it was desirable for some lending to be directed toward the private sector. Thus, the International Finance Corporation (IFC) was established as an entity to lend to private sector ventures. Since the 1990s, the IFC has been rapidly growing. Moreover, a full-fledged private sector agenda eventually emerged at the IBRD, as will be shown in this section.

By the late 1950s, it was also concluded that a number of poor developing countries were insufficiently strong to borrow on IBRD terms. When projects were for infrastructures such as roads, where pricing for the services of the infrastructure did not appear a feasible option, it was generally thought that borrowing on commercial terms did not make sense. The response was to create the International Development Association (IDA). IDA was to function in parallel with the IBRD, using the same criteria for project evaluation, but extending financing to poor countries on highly favorable terms. Naturally, IDA financing had to come from the industrialized countries, which have every three years determined the level of IDA financing for the following three years, and provided IDA 'replenishments'.

In practice, IDA and Bank staffs were and still are the same. The difference is apparent only in the terms accompanying financing: IDA gives 'credits' while the IBRD makes 'loans'. The IBRD, the IFC, and IDA became collectively known as "the World Bank Group", or World Bank.

B - Evolution of Bank strategies

World Bank Presidents were instrumental in changing the institution's overall approach toward development and poverty reduction. However, as it turned out, Presidents were most of the time "swimming" with the intellectual currents of their time. Over more than 50 years, Bank thinking has followed a complex path that very much reflects larger trends. Indeed, it has been largely led by academic thinking, even though shifts have been initiated and implemented by successive Presidents.

From the 'trickle down' views of the early 1950s, to McNamara's war on poverty, to a new version of 'trickle down' again at the time of the 'Washington consensus' in the early 1990s, to the current rejection of this view, Bank thinking has indeed closely paralleled academic thinking. In order to make this point clear, a brief synthesis of academic thought on these issues has already been in Part One.

Let us trace Bank action and thinking over time, relying on the official *History of the World Bank*, as well as on Kanbur and Vines (2000) paper on World Bank strategies.

1 - The early years : infrastructures

Here is a piece of the official World Bank History, quoted by Kanbur and Vines (2000) :

" The canvas of the developing world was a scene of frontal, energetic and life-and-death engagement with rural poverty and human development. [But] against this backdrop, and with a great deal of conviction, the Bank set out on an independent course, not to the rural and human welfare front lines of the war on want, but instead to the tasks of ordinance and logistics to build roads, railways, ports and power stations, and to teach governments to balance budgets, pay debts, plan expenditures, and repair roads. " (KLW, 1997, chapter 3).

This echoes the framework of ideas, discussed in Part One, typical of the first phase of academic thought, as identified by Kanbur and Vines. KLW conclude that "in avoiding agricultural, social services and redistribution and concentrating on economic infrastructures, the Bank was swimming with the intellectual current in the 1950s".

2 - The McNamara years : war on poverty

The Bank orientation changed when Robert McNamara became President in April 1968. As KLW put it, "Robert McNamara, during his long term as President until June 1981, applied himself with energy, talent and single-mindedness to expand the Bank, to redefine it as a 'development agency' and -most controversially- to move poverty up front, from the rear of the bus."

The famous McNamara's Nairobi speech in 1973 led to the 1970s agenda directly targeted to the poor. Immediately after this speech, the Bank started identifying ways to reach the poor, both in rural and urban settings. There was a rapid growth in the Bank's poverty projects that lent for social purposes. A deep rethinking on policy began in 1976 with the emergence of the 'basic need' approach to development assistance.

Despite all these efforts, the results were arguably disappointing. Intervention in distributive policies proved difficult. "National agendas were crowded with long-run development goals and with immediate circumstantial needs. Other variables affected the outcomes, such as the political interests of the Bank's shareholders (...). In the end, project eggs were placed in a

surprisingly small number of baskets: rural development, urban housing for the poor and water supply. “ (KLW, 1997).

3 - The Clausen years : adjustment and free market

By 1980, the emphasis had begun to shift away from direct poverty reduction projects. This was partly due to doubt in the Bank about the results of 1970s poverty oriented lending programs. But Bank history insists that it was partly associated with a change to a more conservative leadership under Clausen who “did little to suggest an energetic, urgent concern for and belief in the possibility of rapid poverty alleviation” (KLW, 1997a: 336). As a matter of fact, Clausen’s speeches stressed stabilization, balance of payments adjustment, and the market economy, “all of which seemed consistent with a former private banker’s priorities” (KLW, 1997a: 336).

The change also happened because of external events. The 1980s were the adjustment period, replete with shocks to which adjustments were deemed to be necessary. Moreover, the ideology of the time was moving towards free market, as epitomized by the Reagan-Thatcher era.

Thus, the Bank’s specialty became ‘adjustment’ aimed at raising GDP growth. Around 1980 when it decided to fight poverty with market based solutions, the Bank’s main thrust became to improve the allocative efficiency of the price system. The basic idea was that removing price ‘distortions’ would produce visible output gains. For instance, cutting “artificially high” real wages would induce companies to hire more workers who would make more goods. In a bit more detail, attempts to improve resource allocation in Bank-sponsored adjustment packages include the following policy moves:

- ?? Liberalization of foreign trade, beginning with replacement of import quotas by tariffs, and subsequent reduction of the tariffs and export subsidies. Diving internal relative prices toward world levels, is supposed to underwrite exports via cost reductions and efficiency gains.
- ?? Cutting back of barriers to external capital flows such as controls on foreign exchange transactions and profit remittances, so as to make it easier for external fund suppliers to invest in the local economy. Unfortunately, only very recently has the World Bank stressed the fact that foreign money can move out as fast as it moves in.
- ?? Deregulation of labor markets and business decision-making.
- ?? Rationalization of taxes.
- ?? Privatization of public enterprises. This agenda is based upon the idea that privately owned firms are intrinsically more efficient than state firms.

4 - Conable : a middle ground

During the five years of his presidency, Conable staked out a middle ground. He stressed that growth was the “healing antidote” to the poison of poverty but that “growth by itself is not enough”. As pointed out by the *History*, “ it was a return to McNamara’s starting point. Conable went on to outline direct poverty alleviating measures, in the style of McNamara. Over the rest of his term, the institution engaged in a repetition of McNamara’s early Search for an operational poverty strategy.” (KLW, 1997a: 360).

This middle-ground orientation was confirmed in the following years. The 1990 World Development Report represented the consensus of the time that economic growth was necessary but not sufficient for poverty reduction. There was a clear statement that the provision of basic health and social services, and of safety nets, was also necessary. This influential report provided a bridge between the two major trends of the previous decades: the direct attack on poverty through projects in the 1970s, and the market liberalization motto of the 1980s.

C - Agenda diversification

The Bank's development strategy has been dominated in its evolution by the ongoing debate between growth and poverty reduction oriented policies. Moreover, over time, for a variety of reasons, the Bank has taken on new agendas and integrated them into its policies and procedures.

This 'agenda diversification' has progressively involved issues such environment, gender and especially promotion of women, resettlement, rights of indigenous peoples, and most recently a private sector agenda, participation and governance. Here we only focus on the last three, as they came to the fore most recently.

1 - The private sector agenda

The Bank's relationship to the private sector, though now denounced around the world by anti-globalization groups, was extremely feeble for a very long time, due to the fact the Bank is supposed to lend to governments only. During the 1950s and 1960s, the Bank essentially interacted with governments, all the more as economic planning and state-scale infrastructures were thought at that time to be the primary development tools. As Richardson and Haralz (1995) put it : " Both the Bank's basic mandate and its staff's everyday experience combined to relegate the private sector, in the organization's collective consciousness, to the status of abstraction"

In 1963, Bank President George Woods proposed changing the articles of Agreement to allow direct lending to the private sector without a government guarantee. This proposal was rejected because of concern over its effect on the Bank's AAA credit standing. Efforts were under way to develop an instrument that would allow the Bank to issue guarantees for infrastructures and natural resource projects that do not require sovereign counter-guarantee.

A key turning point came in 1982 with the appointment of neoclassical economist Anne Krueger, backed by the Reagan administration, as head of the Bank's research department. Beginning in the late 1990s, the Bank steadily increased its emphasis on the private sector. A private sector agenda eventually came forwards. The adoption of explicitly pro-private sector policies occurred around 1980. However, real change in practice came toward the end of the decade. (Miller-Adams, 2000)

As it turned out, cooperation with the private sector has become extremely integrated into the Bank's operations. International theorists would understand this move as a reflection of US influence, the US being the Bank most powerful member. On the other hand, organizational theory would insists that the private sector agenda naturally fits with the Bank organizational culture, as understood by Miller-Adams (2000), which revolves around technical and apolitical norms.

There is now high-level support for a strong private sector emphasis at the Bank and significant resources have been allocated to achieve this end. In addition, new policies have been designed to ensure that a private sector perspective is integrated into all the Bank's operations. Cooperation of the IBRD with the International Financial Corporation has also been enhanced.

2 – The participation agenda

Since the late 1980s, the Bank has begun to explore a wider approach to stakeholder involvement in the development process, as a way of improving its effectiveness. Including grassroots organizations in the formulation and implementation of development projects was found to be an efficient tool, largely left unexploited. Bank's greater openness to participatory approaches was stimulated by advocates within and outside the Bank. Staff members seeking to work more closely with beneficiaries formed an alliance with representatives of NGOs. By defining participation in narrow efficiency-based terms, internal advocates were able to shape their agenda to fit the Bank's norms and procedures and thus gain a high level of support.

The World Bank's basic approach to lending is built around a project cycle based on an engineering model. It is divided into stages of identification, preparation, appraisal, negotiation, board approval, implementation, supervision, and evaluation. Participatory approaches that require the Bank to focus on the people affected by its projects call into question this paradigm. Still today, while the value of participatory approaches has been accepted at the Bank's most senior levels, studies have found that commitment to practicing them has not permeated Bank operations.

The large-scale cultural change, required for such approaches to become a central mode of action, has not taken place yet. However, the Bank seems to be currently moving fast regarding the implementation of this agenda, especially as President Wolfensohn made participation, "ownership", the very core of his "Comprehensive Development Framework" (see next section).

3 - The governance agenda

Essential to the emergence of the governance agenda at the World Bank was a process of 'institutional learning', through which Bank staff and management became convinced of the importance of political factors in their work. These lessons emerged from concerns about the unsatisfactory results of Bank Structural Adjustment Programs, especially in Sub-Saharan Africa and Latin America.

A key event in the development of the Bank's governance agenda was the publication in 1989 of *Sub-Saharan Africa : from crisis to sustainable growth, a long-term perspective study* (LTPS). Involving African experts, the LTPS found that "underlying the litany of Africa's development problems is a crisis of governance" (World Bank, 1989: 60). It argued that private sector initiative and market mechanisms are not sufficient for economic growth, but must be accompanied by an efficient public service, a reliable judicial system, and an accountable public administration. It thus advocated "a systematic effort to build a pluralistic institutional structure, a determination to respect the rule of law, and a vigorous protection of the freedom of the press and human rights".

While the most overtly political features of the report did not find their way into the Bank's eventual formulation of its governance agenda, the LTPS opened up new areas of discussion and brought previously off-limit subjects into light.

Since then, however, work on governance has been marked by shifting definitions and unsystematic implementation, largely because of its poor fit with the Bank's organizational culture. Governance-related initiatives have tended to be one-time affairs that result in little organizational change and no allocation of additional resources.

Still, the Bank's approach to public sector management has evolved in the light of governance concerns. Legal reform is now an established area of Bank lending. Over the years, the broad agenda raised in the LTPS has become progressively narrower and more technical, as it has been shaped by the Bank's organizational identity.

VII Current trends

The coming decade is likely to bring increased pressure on the Bank for changes that frontally challenge its organizational culture.

A - The rise of social issues

Among new agendas that challenge the Bank's culture, social issues are prominent. The growing pressure for the Bank to recognize this kind of issues as central to its mandate, overtly challenge its traditional identity. As the previous section has shown, over the past years, the number of social issues, as opposed to economic ones, has steadily grown on the worktable.

Poverty reduction, gender, indigenous people, resettlement, participation, governance: all these issues used to be treated as "add-ons" to bank projects that are concerned chiefly with economic impact. Frances Seymour, of the World Wildlife Fund NGO, describes in a very humorous way this traditional way of doing business, which he calls the "Christmas tree model", whereby "Bank loans are given an ornamental poverty component, a gender bauble and a participation star on top" (quoted in Miller-Adams, 2000).

Following Wolfensohn's return to a poverty focus, an internal Social Development Task Group was created: growing institutional visibility is being given to these concerns. Still, a real incorporation of a social development agenda would entail a shift in staff recruiting and training policies so as to diffuse a broader concept of development that emphasizes social dimensions.

B – President Wolfensohn's agenda

Wolfensohn's multidimensional effort to change how the Bank operates, is putting great pressure on the latter's identity.

1 – Factors of change

The roots of recent changes at the Bank lie in political and intellectual evolution outside the Bank. In 1995 a Democratic US administration appointed James D. Wolfensohn as President to succeed the previous Republican appointee. In 1999 Wolfensohn was reappointed by the same Democratic administration until 2005.

Concern about the Bank's declining relevance in the face of resurgent private capital flows and lower demands from borrowers has given rise to proposals for a variety of new roles for the organization. Some continue to see the Bank as primarily a source of funds, albeit directed toward a smaller and poorer group of countries.

Others advocate repositioning the Bank as a purveyor of financial advice and fee-based services. Early in his tenure, President Wolfensohn advocated such a role, saying that the Bank should become a provider of services and technical assistance, rather than mainly a lender.

The 'scientific' literature has been evolving in interesting ways over the last decade. The efficacy of market liberalization in its raw form has been seriously questioned by the painful experiences of East European transitions and the crisis of East Asian countries. Moreover, the unsatisfactory experiences of liberalization in generating growth in Latin America and Africa, as well as the growing concern with increasing inequality and volatility owing to changes in technology and trade patterns, are also the basis of much reassessment that is still currently taking place. It is now acknowledged that management of external capital volatility, and of internal distributional conflicts (inequalities) was at the core of success during the 60s, 70s and 80s. Trade openness is not seen as a universal remedy any longer.

Indeed, by the end of the 1990s, the Bank had shifted away from the Washington Consensus type of reforms, prioritizing a second generation of reforms focusing on institutions and State modernization.

The Bank also responded to the criticism that the Washington consensus relied too much on top-down policies, which a small number of policy-makers would undertake to implement without ensuring wider political support. In other words, the Bank acknowledged that effective implementation of policies required a very high level of cooperation and participation from governments as well as from local groups within borrowing economies, and this, not only at the implementation stage, but also in defining policies and projects. Without participation and the local sense of 'owning policies', Bank programs have been found to be much less effective.

These ideas have been most recently expressed in Wolfensohn's 1999 initiative: the Comprehensive Development Framework. Still, before we turn to its analysis, let us point to wider changes in the Bank's culture, as envisioned by President Wolfensohn.

2 – Organizational changes: the “ strategic compact”

At this time, Wolfensohn has been President for over five years and has been given a second five-year term. His first move in office was to announce a “strategic compact”, unveiled in February 1997. This 'compact' is a set of organizational changes that seek to shift resources from administration to front-line operations; to decentralize activities to borrowing countries; to improve the technical expertise of Bank staff and the circulation of information within the institution; and to develop new services and create partnerships with other organizations. Actually, the Bank has already made efforts to decentralize its operations by locating some of its management staff within regions.

Among measures that contribute to a cultural reorientation of the Bank are to be mentioned:

- greater delegation of authority to staff members
- some decentralization to country offices
- executive training for top management
- exchange programs with the private sector
- recruitment of staff with experience outside the Bank
- more stringent performance indicators
- responsiveness to clients

The strategic compact calls for the Bank to be run more like a modern business rather than a bureaucracy. Wolfensohn's key goal is to de-emphasize volume of lending and stress result of programs. As he put it himself, this is about “moving from a culture of approval to a culture of results”. This implies injecting elements of competition into a somewhat bureaucratic internal culture.

The President's agenda is driven by growing concerns about the Bank's effectiveness, declining support from the United States (especially in the context of the new Bush administration) and reduced opportunities for lending (as private capital flows to developing countries grow rapidly). It is actually not clear whether he will succeed in his attempt to reform the Bank's organizational culture.

The President aimed at reorganizing the Bank while continuing the push towards a 'learning institution'. He deemed necessary to change some of its personnel, to give greater presence on the ground, with fewer staff in Bank's office, delivering better products. He envisaged that perhaps ten per cent of current staff would have to leave, and be replaced by recruits who better combined skills and experience.

3 - Operational changes : a "Comprehensive Development Framework"

In his Annual Meetings speech, in Hong Kong in the fall of 1997, James Wolfensohn, outlined a vision of the Bank as an institution committed to forging closer partnerships with other actors to enhance development effectiveness. In the summer of 1998, the Bank carried out a series of consultations, including four round-tables, in the Americas, Europe, Asia, and Africa, on a discussion paper. Participants included representatives from governments, bilateral donor agencies, multilateral financial institutions, academia, non-governmental organizations, and other civil society organizations as well as the private sector. Returning to the theme of closer partnerships for development, Mr. Wolfensohn, in 1998, suggested the need for a more integrated approach to development based on a framework articulated and "owned" by the country itself. That vision, known as the *Comprehensive Development Framework*, builds on the following ideas:

The CDF suggests a long-term holistic approach to development that recognizes the importance of macroeconomic fundamentals but gives equal weight to the institutional, structural, and social underpinnings of a robust market economy. It emphasizes strong partnerships among governments, donors, civil society, the private sector, and other development actors. Perhaps most important, the country is in the driver's seat, both "owning" and directing the development agenda, with the Bank and the country's other partners each defining their support in their respective business plans.

The CDF is essentially a process. It establishes mechanisms to bring actors together and build consensus, forges stronger partnerships that allow for selectivity, reduces wasteful competition, and emphasizes concrete results. It will help donors become more selective in what they do. The CDF encourages borrowing countries to develop plans jointly with donor organizations, NGOs and civil society to ensure that development projects are comprehensively covered, that donor activities mesh with each other and that local ownership is maximized. Governments are expected, in conjunction with donors, to construct a tabular CDF matrix, the cells of which indicate the required actions for each development objective (across columns) by each organization (down rows). It is hoped that construction of such a matrix will ensure that leadership and implementation responsibilities are clearer.

The search for comprehensiveness across participants is more of a breakthrough than comprehensiveness across development objectives. Private sector and civil society are among the intended participants. Ownership, free market and to some extent democracy are part of the CDF concept.

Success in designing a CDF is likely to become a precondition for Bank finance. This will require governments themselves to commit to the CDF objectives. Still, the Bank faces two big challenges in implementing the CDF. The first is how to coordinate and prioritize, within the Bank itself, its own contributions to this comprehensive "big-push". The second is how to coordinate the many other stakeholders who are to be involved in this new process. A

worrying question remains outstanding : who will be in charge when there are disagreements and conflicts of interest between stakeholders ?

Active implementation of the CDF approach, over an 18 month pilot period took place until September 2000 in economies representing a wide range of developmental situations: Bolivia, Cote d'Ivoire, Dominican Republic, Ethiopia, Eritrea, Ghana, Jordan, Kyrgyz Republic, Morocco, Romania, Uganda, Vietnam and West Bank and Gaza. These were self selected governments that were aware of what the CDF offers and had expressed interest in taking part. The CDF Secretariat has now published a report of the pilot experience in 12 countries.

Countries applying the CDF have made progress, especially in "laying the groundwork for a comprehensive development strategy, in enhancing inclusion through national consultations to build consensus on priorities, and in forging more strategic partnerships among all actors," writes President Wolfensohn (preface to the Bank report). The report states that steady progress has been made, while cautioning that it is too early to claim that the initiative is a complete success yet.

Still, at the Bank/IMF annual meetings in Prague last September, enthusiasm for the initiative was palpable as both donor and client country members of the Development Committee gave it a warm welcome. Then US Treasury Secretary Lawrence Summers said the US government had long supported the basic principles that underlie this approach: "providing assistance in the context of a clear, long-term strategy; ensuring borrowing countries' responsibility for making their own choices; selectivity and close coordination among donors in providing support; and full accountability for results."

Individual donor countries' pre-occupation with visibility and their insistence on financing particular activities, often preempt better partnership with other donors and undermine government leadership of the reform agenda. The very difficult task of incorporating the CDF principles into the culture of the Bank and the larger development community has yet to be accomplished, and without it there can be little progress on the ground. The CDF requires a change in the way the Bank's and other agencies' country teams approach their tasks, so that they take a broad view of their interventions, rather than concentrating on individual projects. A decision to mainstream the CDF within the Bank will need to be accompanied by the introduction of transparent and accountable mechanisms to assess progress, draw lessons and keep everyone informed about country-level action, as has been done in the case of the CDF pilots.

4 – Identity change: the “Knowledge Bank”

The World Bank Group embarked on a new vision in 1996 - to become a Knowledge Bank that spurs the knowledge revolution in developing countries and acts as a global catalyst for creating, sharing, and applying the knowledge necessary for poverty reduction and economic development.

President Wolfensohn is particularly keen on the Bank's knowledge agenda, seeing it as a means to expand the Bank's influence even in the face of the protests, official commissions and independent research pieces which have contested his institution's legitimacy and effectiveness. The Bank has heavily underlined its commitment to being a 'knowledge institution' : "A central tenet of the evolving role of the World Bank is to build it into a world-class knowledge institution through a knowledge management system that extends across the World Bank and outside to mobilize knowledge and learning for better results" (World Bank Report, 1998). Clearly, the Bank is hopping both to retain its special place as the institution of knowledge, and at the same time to decentralize itself and give greater priority

to local knowledge and initiatives. This dual project is not without difficulties and contradictions.

The Bank has started restructuring itself and invested in knowledge networks, communities of practice, and information technology to enable better internal and external knowledge sharing. The Bank has launched several new global knowledge initiatives in partnership with the private sector, international and bilateral agencies, NGOs. The creation of networks has been a Bank-wide initiative under which staff members working in the same field throughout the institution are linked to one another. The aim of this change was to overcome the fragmentation of technical expertise and make it easier to share knowledge across the organization and with outside parties. Technical networks have been formed for :

- Finance, Private Sector and Infrastructure Development (FPSI)
- Poverty Reduction and Economic Management (PREM)
- Human Development (HD)
- Environmentally and Socially Sustainable Development (ESSD)

At the end of 1998, the FPSI network encompassed 1700 individuals, while the ESSD had 300 members.

Increased connectivity and wider access to information and communications technologies are essential to the Bank's endeavor. Yet, it is even more important for the Bank to ensure that developing countries have the human infrastructure that can use the hardware and software to reap the benefits of the global knowledge economy. This requires a strong, sustained focus on community development, learning communities, and education networks - ensuring that more people are empowered to contribute from their own experience and knowledge.

A top item on the President agenda is an attempt at a major move on the Internet, seeking to build a new, multi-stakeholder, \$70m super-site: the Global Development Gateway. The Bank's plan to build what they have termed "the premier web entry point for information about poverty and sustainable development" represents an ambitious attempt to gain more control over opinions on development topics throughout the world. The site aims to provide an overview of key policy issues plus links to sites with "good information" about them.

Many critics reacted against the Global Gateway plans. Many activist or alternative sites are likely to be "weeded out" by the Bank, as they contain unsubstantiated opinions and not validated research. The Bank site will be heavily marketed to officials, journalists, students, NGOs and others.

Critics feel the Bank is merely trying to impress G8 governments and others by working on a hi-tech, multi-stakeholder project to deliver "knowledge and expertise to communities worldwide". They denounce what they see as empty buzzwords associated with it, such as "transparency", "inclusivity", "interactivity". They say the Bank is alienating potential partners through its usual top-down approach to project planning and its failure to understand that there are many diverse and conflicting views on development, that the Internet encourages horizontal networking, multiple opinions and links, rather than central planning and coordination.

The Bank is also said to gravely overestimate what can be achieved in one website. The Bank "tries to kill five birds with one stone" and aims to do too many things at the same time, the argument runs. They Global Gateway plans the provision of easy access data about aid agency projects, a database of organisations working on development, an online bookstore, nested country websites, a selection of links to analysis on over 100 policy topics.

The Bank is recruiting editors (called Topic Guides) who are given the task of trying to examine websites across the world to see what exists on their issues, then post links to whatever reports they feel match their "quality" standard, plus highlight certain reports as priorities. Critics say that their task is virtually impossible: how to define the boundaries of what constitutes "reasonable opinion" within a single organisation like the Bank. On such a mega-site reports from African think-tanks or NGOs are likely to be crowded out by major World Bank publications on the same issues.

Roberto Bissio, Director of *Instituto Tercer Mundo*, Uruguay has compared the site's editing approach to producing an online development newspaper. "Nobody has argued in favour of the World Bank starting to publish newspapers, even in countries which badly lack them. There would be a public outrage if someone proposed it, as the press is supposed to be free". Anyway no newspaper could possibly be taken seriously if it claimed to be representing opinions of all stakeholders in all countries on all issues relating to development.

Attempting to filter development-related information to produce a global super-site for so many audiences is extremely unrealistic, say critics. It is clearly not possible for one person or a small team to claim that it has produced links and highlights which represent views of all stakeholders on any development topic. This has been well-expressed by Anriette Esterhuysen, Executive Director of the Association for Progressive Communications:

"The Global Gateway will de-contextualize the content it disseminates, neutralize and de-politicize information, create an illusory atmosphere of consensus and universality, while proclaiming 'diversity', draw funding away from local information gateway development initiatives. Most significantly, initiatives like the Global Development Gateway, no matter how inclusive they attempt to be, are mediated by the North."

The World Bank already gets over four million page hits per month on its main website, www.worldbank.org. It has recently invested a huge amount of resources into a series of other Internet initiatives (i.e. the Global Development Network). Combined with the Gateway, these can be seen as a strategic attempt to capture the commanding heights of information technology for development. As the web is likely to grow ever more important as a publishing and organising medium, activists will most likely try to prevent the World Bank getting any more powerful in this area. The Bretton Woods Project, *Instituto Tercer Mundo* and others have already been discussing a number of campaign actions.

Conclusion

This paper focus was 'change at the World Bank'. It has therefore drawn the map of actors and factors that bear on the Bank. It also puts order into the discursive world that surrounds it. Finally, it synthesized major evolutions of Bank identity and outlined critical changes currently taking place. We believe this paper provides both a synthetic and comprehensive picture that had not been attempted yet.

From all this follows a deep sense that World Bank is not an easy organization to grasp. It has proved extremely adaptable overtime, even capable of acknowledging its own mistakes, but still remains characterized by deeply seated resistances to change that are embedded in its organizational culture as well as in some political influences.

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We had recourse to the following institutions:

- French National Library, Paris
- The London School of Economics Library, London
- The Senate House Library, London
- The British Library, London
- The Regenstein Library, The University of Chicago
- The École Normale Supérieure de Cachan Library, Paris
- The World Bank Public Information Center, Paris