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THE WORLD BANK.

A CRITICAL ANALYSIS OF THE WORLD BANK'S IDEOLOGICAL FRAMEWORK: POVERTY ALLEVIATION AND DEVELOPMENT.

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A dissertation submitted to the School of International Relations of the University of Witwatersrand, Johannesburg in part-fulfillment of the requirements for the Degree of Master of Arts.

15 March 2017 in Johannesburg

DECLARATION

I declare that this thesis is my own, unaided work. It is being submitted for the Degree of International Relations at the University of the Witwatersrand, Johannesburg, South Africa. It has not been submitted before for any degree or examination at any other University.

ABSTRACT

This thesis is situated within the study of International Relations. It centers on a critical analysis of the World Bank's ideological framework towards its poverty reduction and development goals. It seeks to provide an understanding of the ideas, ideals, and values that form the basis of the Bank's development thinking. Ideology plays an important role in this thesis, as the way the World Bank thinks of and pursues development is of great importance; it speaks to the ideology of development, not just within the Bank, but within the global structure of development. Literature that is reviewed in this thesis suggests that the Bank leans towards a neo-liberal ideology. The selected text for the analysis, *The World Development Report: Attacking Poverty (2000-01)* will also be analysed in order to review the principles that have been adopted by the Bank and the development community at large.

In order to understand and explore the factors that influence the Bank's ideological framework, this study employs two levels of analysis through a critical theoretical framework and discourse analysis as a methodological tool. The first level of analysis looks at internal sources of influence; the Bank's voting and governance structure. The second level considers external sources of influence, such as intellectual culture and bureaucratic culture. As stated above, a critical analysis of the Bank's key document, the *World Development Report: Attacking Poverty (2000-01),* will also be carried out.

This thesis concludes that through internal sources of influences such as the unequal voting shares; powerful actors such as the United States have shaped the Bank's thinking towards development, as the Bank's view of development leans towards Anglo-American norms and values as well as interests. Through external sources of influence, the Bank has been dominated by an economic discourse, which Wade (2006) has termed 'economic

imperialism'. Through its hiring, promotion and research publications, the Bank has favored the discourse of economics. Through its financial power within the global arena, the Bank has the power to influence the development narrative, its ideas and values of development have been normalized and universalized within the development community. Its financial strength and research output, both within the Bank and the global arena, are some of its aspect that aid in the maintenance of the status quo in development, consequently, this has led to other views that are not in line with the Bank to be ignored and neglected.

The Bank has also presented the neoliberal ideology as the best means to achieve development and alleviate poverty, this is evidenced through the Bank's key text, as neoliberal principles such as privatisation and deregulation are presented as the only way to achieve development. This thesis also recognises that the Bank does not exists in a vacuum, it ideology, norms and values are also heavily influenced by events that take place on the international sphere, such as the economic crises of the 1970s that influenced the Bank's position on poverty and development.

DEDICATION

I dedicate this thesis to my family and friends who supported me through this process. I am appreciative of all the hours they dedicated to proof read this thesis and their constant encouragement. A special feeling of gratitude to my mother, Agnes, whom without, I would not be who I am and where I am today. Her words of wisdom, encouragement, and push for tenacity constantly rings in my ears. She has been my biggest cheerleader.

TABLE OF CONTENTS

Declaration 2

Abstract 3

Dedication 4

Table of Contents 5

Nomenclature 7

Chapter One

Introduction to the Thesis

1.1 Introduction to the Theme 9

1.2 Statement Problem 10

1.3 Justification for Research 12

1.4 Research Questions 13

1.5 Objectives 13

1.6 Data Analysis 13

1.7 Critical Theory 15

1.8 Research Type 15

1.9 Significance of Research 16

1.10 Research Outline 16

Chapter Two

Literature Review

2.1 Introduction to the World Bank 18

2.2 The World Bank's Governance and Representation.....19

2.2.1 The Board of Governors 20

2.2.2 The Board of Executive Directors 20

2.3 Voting Shares 20

2.4 Internal Sources of Influence 24

2.5 External Sources of Influence 24

2.6 Defining Development & Poverty 29

2.6.1 Defining Poverty 29

2.6.2 Defining Development 30

2.7 The Bank and the Neo-Liberal Agenda: Towards Poverty Reduction 29

2.7.1 Neo-Liberalism 30

Chapter Three

A Theoretical and Methodological Framework for the Research

3.1 Ideology 38

3.2 Hegemony.....39

3.3 Critical Theory.....39

3.4 Robert Cox's Interpretation of Critical Theory 42

3.5 Discourse Analysis.....44

3.5.1 Critical Discourse Analysis.....45

3.5.2 Textual Analysis 46

3.6 Methodological Reliability 47

3.7 Selection of Text 48

Chapter Four

The Analysis

4.1 The Analysis 50

4.2 The Bank as an Intellectual Leader in the Global Arena 50

4.3 Economic Imperialism 53

4.4 Voting Structure and the US's Influence Over the Bank 54

4.5 Observation on the Internal and External Sources of Influence 56

4.6 Discourse Analysis: The World Development Report: Attacking Poverty 57

4.7 Poverty 57

4.8 "Promoting Opportunity" 58

4.9 "Empowerment" 60

4.10 "Security" 61

4.11 Main Observations 62

4.12 Conclusion of the Study 63

4.13 Recommendations 64

4.14 Limitations 64

NOMENCLATURE

EU European Union

CDA Critical Discourse Analysis

GNP Gross National Product

DA Discourse Analysis

DEC Development Economics Vice Presidency

IMF International Monetary Fund

IR International Relations

IFI International Financial Institutions

IBRD International Bank for Reconstruction and Development

SAPs Structural Adjustment Programmes

IDA The International Development Association

ICSID The International Centre for Settlement of Investment Disputes

IFC The International Finance Cooperation

MDGs Millennium Development Goals

MIGA The Multilateral Investment Guarantee Agency

USA United States of America

US United States

UK United Kingdom

WB World Bank

WBG World Bank Group

WDR World Development Report

Chapter 1

Introduction

1.1 Introduction to the Theme

Since the 1980s the World Bank (henceforth the Bank) has been the subject of countless articles, books, reports, and dissertations. Analysis has ranged from the Bank's development assistance (DA), Structural Adjustment Policies (SAPs), Poverty Reduction Strategy Papers (PRSP), governance structure, voting shares etc. and since the last two decades, the subject of its ideological framework; the focus of this thesis.

Within the literature, it has been widely recognised that the World Bank has been at the forefront of the neo-liberal project (see Cammack (2004); Broads (2006) Storey (2000)). In his article, *The World Bank, Neoliberalism, and Power: Discourse Analysis and Implications for Campaigns*, Storey (2000:361) states that since the early 1980s, the World Bank has advocated for neo-liberal economic principles as the best way for developing countries to organise their economies. This is evidenced through the SAPs that were implemented in most if not all World Bank aid recipient countries, which many like Storey (2000:362) argue were laden with neo-liberal principles. In his article, Storey explored the reasons why the World Bank adopted this position, stating that "the Bank has adopted the discourse of neo-liberal policies as this discourse favors the interest of key North actors" (Storey 2000:361). He also found that, while there has been a shift in the Bank's discourse; the role of the state has been widely acknowledged as well as pro-poor strategies, however, "there is still a widespread absence of political analysis", meaning that "dominant power relations will still not be fundamentally acknowledged or challenged" (Storey 2000:361). His argument is therefore, based on the need for a critical analysis of power relations, within the Bank and in the global

arena. According to the author, powerful actors within the Bank not only benefit from the status quo, they also have great influence on the position and ideas that are advocated by the Bank in the global arena. Power relations within the Bank are of great importance to this thesis, as they influence the Bank's ideology and its perception on poverty and development.

Other critics of the Bank's ideological framework, such as Wade (2002) and Cammack (2004) have presented a similar argument to Storey (2000). They state that over the last three decades the Bank has spearheaded the neo-liberal agenda, it has presented its market-friendly policies as the best approach to poverty reduction and economic development in Third World countries. Furthermore, the authors recognise that this neo-liberal approach to development has been and is still advantageous to actors in the global north, particularly the United States, as it is the Bank's most powerful member. In his essay, *What the World Bank Means by Poverty Reduction, and Why It Matters,* Cammack (2004:190) stated that,

"The Bank has been systematically engaged in promoting the proletarianisation of the world's poor (their equipping for, incorporation into and subjecting to competitive labour markets) and the creation of an institutional framework within which global capitalists' accumulation can be sustained, while simultaneously seeking to legitimate the project through policies of controlled participation and pro-poor propaganda".

The author therefore argues that the Bank's thinking towards development and development practice is heavily influenced by neo-liberalism, despite the Bank's move to more pro-poor strategies to development (Cammack 2004:190). The Bank, according to the author works as a tool that sustains the current state of affairs in the global arena (Cammack 2004:190). Within the literature, critics like Cammack (2004) and Storey (2000) have therefore framed

the notion that the Bank still promotes a neo-liberal ideology towards development, despite the Bank's abandonment of the structural adjustment policies to more pro-poor development strategies such as PRSP and poverty alleviation. It is such, that this thesis is concerned with.

1.2 Statement Problem

The economic crises of the 1990s and the lack of sustainable development achieved through SAPs resulted in an increasing scholarship focusing on critiques of the Bank's development discourse and its policies (Ahmed 2006). The writings of critical theorists like Wade (2002); Ahmed (2006); Cammack (2004); Storey (2000); Broad (2006) etc. have been at the forefront of the Bank's critique of its neo-liberal economic development policies. Since the 1990s increasing amount of literature has also focused on a critique of the Bank's policies from an ideological perspective. Sridhar's (2007) article, *Economic Ideology, and Politics in the World Bank: Defining Hunger*, is an example of such. Her research aimed at examining "the interlacing of economic ideology and politics in World Bank nutrition policy". Essentially her research aimed to expose the power structures, discourses, and agencies within the Bank through nutritional policy (Sridhar 2007:499). She found that, due to the dominance of the discipline of economics and economists in the Bank, it is difficult to introduce any policies in the Bank that are not centered within an economic thinking towards development. Any policies that are far removed from the neo-liberal principles of economic development are rarely given much attention and they rarely influence the policies that are implemented by the Bank (Sridhar 2007:500). The author's argument, therefore, reinforces the view that the Bank prefers economic friendly thinking towards development, any views that are outside the confines of economics are not acknowledges or taken seriously.

In their study Park & Vetterlein's (2010) examined the way which certain norms, values, and ideas influence policy formation in the World Bank and the IMF. Their work centered on how certain norms and ideas are accepted and conceptualized by the institutions and turned into "globally applicable approaches to economic growth and development" (Park & Vetterlien 2010:4). This process according to the authors is of great importance as policies from these institutions are readily accepted by other aid agencies and applied in their aid recipient countries. Similarly, Sridhar (2007:499) states that the "World Bank is the arbiter of development norms and meaning, combining intellectual prestige and financial power". From the arguments they present; critically engaging with the Bank's as well as other International Financial Institution's (IFIs) norms and values is of great importance, as their dominance in the global arena enables them to diffuse their norms and values, which are readily accepted and become the universal standard for development.

As seen through the few examples above, increasing research on the Bank has aimed to understand the Bank's ideological framework with regards to its poverty reduction and development goals. The Bank has been charged with advocating neo-liberal principles towards development since the structural adjustment era, it has been argued that this position has continued to be maintained today. This position has been maintained through the domination of the discipline of economics and economists in the Bank and the content that is published by the Bank, as a result of this, it has been near enough impossible to introduce alternative views and methodologies to poverty reduction and development. Wade (2006) refers to this as economic imperialism within the Bank, as any views that are not economic friendly are relegated to the peripheral. According to these critics, the Bank's dominance and financial strength has allowed for its ideas, norms, values and ideologies to be universalized and normalized in the development community. Consequently, this has led to other views of

development within the global arena to be ignored, not taken seriously or relegated to the periphery.

As previously stated, this thesis seeks to critically engage with the Bank's ideological framework with regards to its development and poverty reduction goals. It seeks to understand the influences that shape the Bank's development thinking, therefore, that of the development community at large. The results of this analysis will uncover the positions that are advocated and those that are neglected by the Bank. Although it is beyond the scope of this thesis, the finding of the analysis also determines whether the Bank's ideas on development can be accepted as credible and objective or whether it is a tool that serves the interests of hegemonic powers in the global arena. This thesis is based on the idea that, continuously engaging critically with the Bank's thinking on development and the factors that influences its norms and values enables us to question ideas that are universalized and normalized in the global arena.

1.3 Justification of the Research

The World Bank has been described by many like Sridhar (2007:499) as "an intellectual powerhouse, whose research represents the cutting edge of development". Other like Payer (1982:15-17) have described it as an extraordinary institution that is matched by none. The Bank is the largest development Bank and it provides the global economy with the dominant model for development that other multilateral and bilateral "institutions imitate, cooperate with, and react against" (Berger & Beeson 2006:318). As stated by Storey (2000:361) no one escapes its influence. He asserts that since the 1980s almost all 'Third World' countries have

undertaken one or more of the World Bank's programmes for economic structural adjustment (Storey 2000:361).

While a consensus seems to exist on the Bank's degree of influence and power, less agreement is apparent on the effectiveness of its market-friendly principles that guides its development thinking (see Wade 2002; Ahmed 2006; Cammack 2004, Storey 2000; & Broad 2006). Research conducted by authors like Payer (1982); Wade (2009 & 2007); Woods (2008); indicates that since the 1980s the Bank has advocated neo-liberal principles as the best strategies for economic development and poverty reduction. They argue that the Bank's development ideology enhances the power and the living standards of the global elite and its appendages, at the expense of the poor (Wade 2002). Although analysing the effects of the Bank's development ideology on its recipient countries is beyond the scope of this research, it is my intention to critically engage with the Bank's ideology in order to explore the positions it advocates and neglects in its development and poverty reduction mission. The focus on the Bank's poverty reduction and development goals, how its ideas are transmitted and maintained is not to overlook all the other important aspect of the Bank, rather, to explore all of its development policies and its other functions are beyond the scope of this thesis.

As the World Bank is one of the largest development institutions in the world, much has already been written about its role, influence and its thinking on development. I appreciate and will employ many of the critical analyses that have been conducted as part of my literature review. Finally, something that almost goes without saying; critically engaging with the ideological framework of one of the world's most powerful IFI is of utmost importance. It allows us to gain a deeper understanding of the norms and values that not only guide the

Bank's development ideology, but rather the global development space. It also allows us to critically engage with power relations within the Bank and in the global arena, it also affords one the opportunity to understand the positions that are being naturalized and universalized and those that are being excluded and denigrated. The Bank is therefore, taken as the leading exemplar rather than an individual offender in the development space. Through this thesis, I therefore, aim to contribute to the work that challenges the status quo in development, work that questions the cornerstone of modern economies and thus delegitimising the Bank's hegemonic claims.

1.4 Research Questions

The main research questions are as follows:

What position has been adopted and advocated by the World Bank since the late 1990s? How is this position maintained within the Bank?

1.5 Objectives

This thesis seeks to:

1. Uncover the positions advocated and those that have excluded and denigrated by the Bank since the early 2000 to the present.
2. Uncover the external and internal sources of influence that shape these positions.
3. Understand how this position is being maintained and transmitted in the Bank.

1.6 Data Analysis Method

As stated above this research seeks to understand the Bank's ideological framework with regards to its development mission, a descriptive – analytical approach is taken in conducting this research. It employs a qualitative research approach and critical discourse analysis (CDA) will be used as a methodological tool. Discourse analysis (DA) is briefly introduced in this section; however, chapter 3 contains a detailed discussion of the concept and its use in this thesis.

Discourse analysis is a methodology that has been employed in a number of disciplines. This is mainly due to its flexibility. Jorgensen & Phillips (2002:2) recognised that DA is not just one approach; it is "a series of interdisciplinary approaches that can be used to explore many different social domains in many different types of studies". The concept of DA, as recognised by the authors, therefore changes in accordance to the subject of analysis as well as the discipline or discourse.

This analysis centers on Gee's (2011) understanding of critical discourse analysis (CDA). He states that "discourse analysis considers how language, both spoken and written, enacts social and cultural perspectives and identities" (Gee 2011:9). CDA, on the other hand, goes beyond the understanding of how "language forms social realities and how it works, it also speaks to and intervenes in social or political issues as well as problems and controversies in the world" (Gee 2011:9). CDA allows for the opportunity to understand "the social and political implications of what is being communicated" (Gee 2011:10). Through CDA, Gee (2011:19) recognised that 'we' as researchers are able to ask important questions such as, "What is being communicated as 'normal, [and] 'valuable'," and what is being universalized.

CDA has been chosen as a methodological tool for this research as it allows researchers to ask questions pertaining to interests, discourse, and relations of power (Junks 1996:1). It allows the researcher to ask questions such as; "How is the text positioned or positioning? Whose interests are served by this positioning? Whose interests are negated? What are the consequences of this positioning?". CDA is therefore a well suited methodology for this thesis as it allows us to explore the power relations and the views and positions being proponed by the Bank.

CDA will be used to critically analyse one of the Bank's key texts, *The World Development Report: Attacking Poverty (2000-01).* This document will be analysed in light of the ideological, conceptual, and logical framing and as mentioned above, positions advocated, neglected, maintained and transmitted; making CDA a well suited tool.

1.7 Critical Theory

This research follows a mode of deductive reasoning as it employs critical theory in order to fulfill its objectives. The thesis is heavily influenced by the work of Robert Cox (1982,1996) on critical theory. A brief description of critical theory will be given in this section, but it will be discussed in detail in the theory and methodological section in chapter 3.

Critical theory has been adopted in different disciplines over the years, it has therefore taken on different meanings and understandings. Cox (1982), stated that critical theory is critical "in the sense that it stands apart from the prevailing order of the world and asks how that order came about" (Cox & Sinclair 1996:89). It "does not take institutions, social and power relations for granted, but calls them into question by concerning itself with their origins how and whether they might be in the process of changing" (Cox & Sinclair 1996:89). Although

questioning the origins of the Bank's ideological position is beyond the scope of this thesis, the strength of critical theory in its ability to challenge power relations and "stand apart from the prevailing order" makes it a well suited theory for this thesis (Cox & Sinclair 1996:89). Through critical theory one can engage with the Bank's ideological framework as it will allow us to question the positions that the Bank advocates and call into question the influences that shape and maintain these positions. It will therefore, allow us to challenge the status quo and "stand apart from the prevailing order" (Cox & Sinclair 1996:89), in which the Bank is perceived in the literature as a promoter and maintainer of neo-liberalism.

1.8 Type of Research

This research is solely based on desk research. Desk research has been chosen due to limited time and resources. Desk research is better suited for this thesis as field research or any other type of research would have distorted the findings of what is intended to be an analysis and an understanding of the Banks ideology regarding poverty reduction and development. Needless to say, although backed up by secondary sources the findings in this research are generalizations of the Bank's influences and power dynamics, as they are based on an analysis of one document. I hope this research will contribute to the ongoing debates on IFI's ideological hegemony within the development space and the global arena in general.

1.9 Significance of Research

Although a lot has already been written on the Bank, this research seeks to contribute to the pre-existing body of literature within international relations and development studies that seeks to dissect and demystify the hegemonic ideological position that is advocated and

maintained by IFIs such as the World Bank. Only by continuing to critically engage with the conceptual frameworks that guide the thinking of IFI's can we challenge the status quo in development, which according to many critics has led to the absence of alternative voices in development (see, Wade 2006).

1.10 Research Outline

This thesis is organised as follows:

Chapter one serves as an introduction to the thesis. It introduces the theme of the thesis and explains what the research topic is about and the justification for the research. It presents the objectives and aims of the research, the research questions, and the methodological aspects.

Chapter two is dedicated to reviewing the relevant literature. The chapter begins with a résumé of the World Bank; its history, governance, structure, functions etc. A review of the debates surrounding the governance of the Bank; its voting shares and representation; as well as its ideological framework is presented. This chapter serves to introduce the notion of a predominantly neo-liberal conceptual framework in the Bank that is presumed in the literature.

Chapter three will present the theoretical and methodological framework for the study. It will give a brief description of concepts such as ideology and discourse. Critical theory and CDA will also be discussed in detail as they relate to the study. Concepts derived from the works of Robert Cox will form part of this chapter.

Chapter four is a presentation and an analysis of the research. The chapter proposes that there

are internal and external sources of influences that shape the production of the neo-liberal agenda within the Bank. *The World Development Report: Attack on Poverty (200-01)*will be analysed using the tools detailed in chapter 3. This chapter aims to answer the research objectives, therefore, establishing the ideological framework that is advocated by the Bank, its influences and the positions it neglects. The summative findings of the research will be presented in light of the questions that have guided this research.

Chapter five is a summary of the research. It will provide a summary of the contributions of the study, recommendations for future research, and a brief note on the limitations encountered during the research. It will also present the conclusion and recommendations.

The following chapter presents a selection of literature representative of the theme of the World Bank's ideological framework with regards to its development and poverty reduction mission. The chapter will begin with an introduction to the World Bank. It will present a résumé of the Bank's; history, structure, function and governance. It will also present debates around the Bank's governance. This is of great importance as it will aid us in our understanding of external and internal sources of influence that shape and influence the Bank's ideological framework.

Chapter Two

Literature Review

2.1 An Introduction to The World Bank

The World Bank is an IFI that was formed in 1944 as one of the Bretton Wood financial institutions, along with its sister institution the International Monetary Fund (IMF) after the Second World War (Moore 2007:19). Initially called the International Bank for Reconstruction and Development (IBRD), its primary mandate at the time was to finance the reconstruction of the war-ravaged economies of Europe (World Bank 2017a). The Bank was created with the "capital backing of the United States and other economically powerful countries, that could borrow from international capital markets at low rates and lend to poorer countries that would normally either be excluded […] or face high borrowing rates" (Griffith-Jones 2001:3). At its conception the Bank was designed as a finance co-operative, with the specific function of transferring loans from rich governments to poorer ones (Griffith-Jones 2001:3).

Today, the founding rationale for the Bank is now in sharp contrast to its current mission and operations. The Bank has evolved to become the "central international agency for prescribing economic development policy around the world", and has become a knowledge Bank (Wade 2007:268). The direction that was taken by the then President of the Bank, Robert McNamara

(1968-81) was a clear indication that the Bank had evolved far beyond its original role. He set the central goal of eradicating absolute poverty and proceeded to reshape the Bank's operations around interventions in Third World economies through SAPs (Clemens & Kremer 2015:9). More than four decades later, the Bank's rhetoric conveys a similar purpose to that introduced into the Bank by McNamara in the late 1960s. The current Bank's President, Jim Kim (2012-present) set the current mission for the Bank, which the Bank aims to achieve by 2030 as to:

"End extreme poverty by decreasing the percentage of people living on less than $.1.90 a day to no more than 3% [and to] *Promote shared prosperity by fostering income growth of the bottom 40% for every country"* (World Bank 2017b).

Many writers like Griffith-Jones (2001:3) argue that despite the changes that took place within the Bank's activities and mission, its capital and governance structure continue to reflect its original purposes.

The Bank's greatest impact in development comes from its role as a knowledge Bank; a generator of development ideas. Its ideas have become the standard for development within the development community. In their essay *Why is there Multilateral Lending? Annual Bank Conference on Development (1995),* Gavin and Rodrick (1995) stated that "the Bank is the single most important external source of ideas and advice to developing country policymakers". Clemens & Kremer (2015:7) stated that Gavin and Rodrick's (1995) statement is supported by empirical evidence from a "survey of 6,731 government officials and development practitioners, from 26 low-and lower-middle-income countries, who were asked for subjective ratings of 57 different aid agencies". The results showed that the Bank ranked first out of 57 aid agencies for "agenda-setting influence", and fifth for "usefulness of

advice" (Clemens & Kremer 2015:7). The Bank, therefore, plays a large role in the development space. In his research, Gilbert *et al* (2000) found that the Bank

"[…] does not just lend money and produces ideas: it packages the ideas and the money together […] In this mode the Bank provides development skills, including skills in project management, bundled together with its loans in a package, which would otherwise be unavailable to the bank's low- and middle- income client countries" (Gilbert *et al* 2000:51).

Similarly, Kapur (2006:159) found that the core product of the Bank has always been its ideas. The Bank uses its financial lending as a vehicle for its development ideas to be implemented in its recipient countries (Kapur 2006:159). Through its ideas and its financial strength, the Bank has therefore, managed to shape the discourse of development.

2.2 The World Bank's Governance and Representation

The World Bank is comprised of five institutions that form the World Bank Group (WBG). These institutions are The International Bank of Reconstruction and Development (IBRD), which lends development assistance to middle-income governments and governments with good credit. The International Development Association (IDA), which provides credits and grants to poor countries. The International Finance Cooperation (IFC), being "the largest global development institution focused on the private sector" (World Bank 2017a). The Multilateral Investment Guarantee Agency (MIGA), which promotes FDI into developing countries in order to "support economic growth, reduce poverty, and improve people's lives" (World Bank 2017a). The International Centre for Settlement of Investment Disputes (ICSID), that "provides international facilities for conciliation and arbitration of investment disputes" (World Bank 2017a). The IBRD and IDA constitute the investment aspect of the Bank, as a result, these institutions "make up the World Bank" (World Bank 2017a).

Collectively, the WBG institutions are comprised of 188 member states (World Bank 2017a). These member states possess "the ultimate decision-making power within the organisations on all matters, including policy, financial or membership issues" (The World Bank 2017d). Member states govern the Bank through the Boards of Governors and the Boards of Executive Directors. These two bodies are responsible for all the major decisions within the Bank (The World Bank 2017d).

2.2.1 The Board of Governors

The powers of the Bank reside in the Board of Governors; it is the highest decision making body within the Bank (World Bank 2017d). Each members state is represented by one governor and one alternate governor, these positions are usually held by the member "country's minister of finance, governor of its central bank, or a senior official of similar rank" (World Bank 2017d.). The Boards of Governors also serve in this position in the IBRD, IDA, IFC and ICSD. The MIGA being the only WGB institution that elects its own Board of Governors. Currently the Bank's Board of Governors consists of 188 members (World Bank 2017d).

2.2.2 The Board of Executive Directors

The Board of Executive Directors (henceforth the board) is a smaller group of representatives that currently consists of 25 executive directors (World Bank 2017d). The president also sits on the board, but he has no voting powers, with the exception of a "deciding vote in case of an equal division" (World Bank 2017d). The executive directors of the board have the

authority to make decisions on "proposals made by Bank Management on IBRD loans and guarantees, IDA credits and grants, IFC investments and policies that impact on the World Bank's general operations" (Vestergaard 2011:19). The Article of Agreement also grants them the power to appoint and dismiss the president (World Bank 2017d).

2.3 Voting Shares

Allocation of votes within the Bank is based on "one vote for each share of the Bank's capital stock held by the member" (World Bank 2017d). In simple terms, each member country's vote is based on its financial contribution to the Bank. The distribution of votes was therefore set up to reflect each member state's comparative economic strength (Griffith-Jones 2001:4). Wealthy countries within the Bank hold over 54.47% of the voting power within the WBG, the United States (US) being the country with the most vote shares of 17.38% (World Bank Group 2017e).

Understanding the structural organisation of the Bank is of great importance to this thesis as the governance structure and representation of the Bank represents power relations in the global economy. The organisation of the Bank can to some extent influences ideas, representation, and positions taken by the Bank regarding development and poverty reduction. Representation in the Bank can become a mechanism through which members state who wield power can influence many aspects of the Bank's functioning, development policies, and practice. An examination of the organisation of the Bank lays a foundation for the analysis of this thesis, it aids us in our understanding of the internal and external sources of influence that shape the Bank's ideas and practice for development.

2.4 Internal Sources of Influence

In her article, *The Worlds Bank and the Bank's World* Weaver (2007) recognised internal sources of influence as sources within the Bank that have the ability to shape and impact the development thinking of the Bank, these include voting structure and the organisation of the Bank. External sources, on the other hand, include, intellectual and bureaucratic culture of the Bank (Weaver 2007). Understanding these sources of influence as well as other influences form part of the core analysis of this thesis. It is these influences that will aid us in our understanding of the positions that are advocated and how they are maintained by the Bank and the power relations that exists within and outside of the Bank.

The Board of Executive Directors, as stated above, plays an important role within the Bank; it has the mandate to take key decisions on proposals made by the Bank regarding development assistance, loans, grants, policies etc. (Vestergaard 2011:19). Many critics like Cammack (2004); Broad (2006); and Wade (2002), have argued that, theoretically these powers do reside with the Board in accordance with the Articles of Agreement, however, in reality, they cannot exercise these powers due to the immense influence and power that powerful actors such as the US wield over the Bank. This is evidence though an unspoken rule in the Bretton Woods Institutions that, the president of the World Bank usually comes from the USA and the president of the IMF is by tradition a European national (Vestergaard 2011:19). Until the appointment of the current President of Jim Yong Kim in 2012, not only has the President of the Bank has always been a US citizen, the appointment has always been a strong choice of the US congress (see Wade 2002; Broad 2006; Payer 1982; & Cammack 2004). Toussaint (2014:5) states that "the members of the Board of Governors simply ratify the candidate presented by the US" (Toussaint 2014:5). Toussaint (2014:5) states that, the power that is exercised by the US is not in accordance with the Articles of Agreement and "although the

statutes allow it [the Board], no governor" until the appointment of Jim Yong Kim had "ventured publically to propose a candidate of another country or even an American candidate other than the one selected by the US". However, it can be argued that Jim Yong Kim's appointment does show that norms, values and cultures in the Bank are changing, as he neither is an American citizen nor does have a background in economics, which his predecessors all had in common.

As noted before, the voting structure and distribution of votes within the Bank are based on the financial contributions that are made by member states. At the time of its creation, voting based on quotas was understandable, today however, critics argue that this has allowed wealthy member states like the G7 countries to use their voting power to exercise influence "that is out of proportion to their current cost" (Birdsall 2000). Critics like Wood (2008); Bridsall (2006); and Vestergaard (2006) have argued that the votes within the Bank were designed to reflect each member state's comparative economic advantage, thus the link between financial power and the degree of decision-making power was established. They argue that the economic strength of wealthy countries allows them to have greater influence in the decision-making process compared to countries that contribute less capital to the Bank (See Wood 2008; Bridsall 2008; and Vestergaard 2006). Kapur (2006:99) stated that for developed countries "the marginal cost of influence is virtually negligible". Although reforms have been implemented to realign the "governance structure of the World Bank to reflect the new financial, economic and development thinking trends", it is argued that, a large proportion of the voting shares still resides with wealthy countries; nothing much has changed (Kapur 2006:99).

Toussaint (2014:5) argued that since the creation of the Bank, the US has always been the largest shareholder with an allocation of 35% in 1944, since then it has always been the most influential member. Today the US still has the highest voting percentage of 17.38% (World Bank 2017d). The US is also the only country to have a de facto right to veto within the World Bank. According to Gwin (1994), "formally most Bank decisions, including those affecting lending levels and loan allocation, require a simple majority vote of the Board", meaning the US could be in the minority in some votes, however, "decisions are often worked out between the United States and Bank management before they ever get out of the Board, or among members of the Board". Gwin's (1994) argument is therefore based on the idea that it's more than the exercise of its voting shares that gives the US power over the Bank and over its decisions, as it is able to influence decisions whether it is in the majority or minority, the influence of the US is therefore part of the culture within the Bank. Although the voting structure at the Bank has been reformed, critics argue that the basic pattern "of dominance by developed countries generally, and the US specifically, remains in place" (Griffith-Jones 2001:4) as the non-borrowing wealthy countries currently control 51.64% of voting shares (World Bank 2017d).

The unequal voting structure within the Bank can also be seen on the Executive Board of Directors. As stated before, there are 188 World Bank member states, but there are only 25 executive directors. Griffith-Jones (2001:5) argued that the "inequitable distribution of voting power is reflected in the number of executive directors each country or region has to represent them on the Bank's Board". Wealthy countries such as the "US, Japan, Germany, France, UK, China, Saudi Arabia and Russia" all have their own individual executive directors (Griffith-Jones 2001:5). The rest of the 17 executive directors are divided into constituencies that are made up of the regions of the remaining 180 member states, which

mainly consist of the borrowing countries. For instance, the Nordic countries and Baltic countries are grouped together in one constituency of 8 countries and are represented by the Danish Executive Director (Griffith-Jones 2001:5). Meanwhile, "45 countries in sub-Saharan Africa are grouped into just two constituencies and are represented at the Board by just 2 executive directors" (Griffith-Jones 2001:5). Inequality in voting shares and representation therefore, compromises the strength of and the voice of developing countries at the Bank, therefore reflecting the power relations that exist within the Bank. Griffith-Jones (2001:6) recognised that, as a result of the unequal representation, ideas and views of development from poorer countries or borrowing countries are rarely acknowledged, if at all as they do not carry much weight in comparison to their counter parts.

Many analysts have argued that the unequal voting structure of the Bank undermines its legitimacy (Bank Information Centre 2006:9). Ahmed (2006:87) argued that "It is not simply good enough to have the right policy advice; that advice is more likely to be accepted if it comes from an institution that is seen as representative of the interests of the borrowing countries". His argument is based on the idea that, in order for the Bank to be accepted as an autonomous and credible source of development advice, its governance needs to be more democratic. Woods (2008:2) presented the same argument, she stated that "the World Bank needs to globalise its governance; currently, the IMF and the World Bank are ostensibly global institutions but each is run by a small directorate of industrialised countries who cling on their influence over each organisation". Wood's (2008) argument is in line with the picture that is presented within the literature. Critics argue that not only is the World Bank an advocate for certain ideas with regards to development, it is used as a tool by its powerful member's states especially the US to exert its own foreign policies and interests (see Wade (2006); Cammack (2004); & Woods (2006), power dynamics within the Bank are therefore

one of the major forces play a large role in the direction that the Bank takes towards poverty and development. Birdsall (2007:52) argued that the dominance of powerful actors within the Bank has diminished the Bank's legitimacy; instead of addressing the needs of its voiceless members who are not equally represented; the Bank promotes and privileged 'insider' corporate and financial interests. Other critics like Ahmed (2006:88) have argued that it's difficult to think of the Bank as acting in the best interest of its member states if the governance structure is not equally representative of all its members. These critics amongst others put forth the idea that the policies that are presented by the Bank are to some extent skewed in the interest of powerful actors (see Payer (1982); Wade (2006); Moore (2006); Berger & Beeson (2006).

In her article, *The World Bank: Towards a Global Club*, Birdsall (2007:57) states that the problems of legitimacy that the Bank faces is a result of its failure to modify its "governance structure to the economic, social, and normative changes in the global system" that have been taking place over the last 50 years. When the Bank was first created, these voting structures were created to give more power to the wealthy member states, as it was understood that members taking the greater risk – which was the US at the time – had the right to "have a say in the rules and practices of the club, if only to secure their continued financial commitment" (Birdsall 2007:53). 73 years later after the Bank's creation it still operates on a "structure representative of a global club instead of a development agency" (Birdsall 2007:53). The Bank's lack of representation in its governance structure is has therefore, resulted in major criticism from critics, especially in light of its mission and vision to end extreme poverty and increase development.

This section has briefly discussed the debates surrounding the Bank's governance and voting structure. As noted previously, understanding the voting structure of the Bank is of great importance to this thesis, as this will enable us to understand power relations within the Bank which influence the internal and external sources that influence its thinking on poverty reduction and development.

2.5 External Sources of Influence

In their article, *The World's Bank and the Bank's World,* Rao & Woolcock (2007), recognised that there is an 'intellectual culture' within the Bank. This culture according to Weaver (2007:494) is characterised by an "economistic, a political and technical rationality". Jean-Jacques Dethier (2005:4), a research manager at the Development Economics Vice Presidency (DEC), confirms that "an overwhelming majority of the researchers in DEC are economics PhDs, despite a general interdisciplinary trend in global development theory and practice". Rao & Woolcock (2007:4) found that out of the 86 fulltime research staff holding PhDs that were employed by the Bank, roughly 3 of the Ph.D. holders were from other disciplines other than economics. The majority of these graduates, as previously stated, are educated in US or UK universities. In his research, Stern (2002.cited in Broads 2006:402) found that 60% of the graduates in the Bank not only graduated from an American university; they were from the economics department, and 16% graduated from the economics department in the UK. This according to Weaver (2007) strongly influences and shapes how the Bank as a whole 'thinks' about and 'does' development, as the Bank's staff is excessively homogenous as they view poverty and development through an economic lens. Similarly, Vetterlein (2011:35) argues that topics from researchers from other disciplines such as the social sciences are rarely given any attention; researchers from noneconomic fields must strategically craft their ideas or writings in the 'comfortable' methodological and theoretical

language of economics in order to get published or for their research to get noticed. Moises Nairn, a former senior staff member of the Bank stated that, in the Bank, "economic reasoning is respected while 'soft' sociological type analysis is belittled" (Weaver 2007:505). Research that is not in line with the economics tradition or that which is not 'sound economics' is on the "fringe and all the more if the researcher is not an economist" (Broads 2006:403). Economics and economists are therefore dominates the Bank.

Broad (2006:39) found that the DEC plays an important role for paradigm maintenance as it is the institutions for economic research in the Bank. Dethier (2005:5) sums it up, she stated that "DEC research has influenced world opinions and shaped policy priorities", she goes on to say "research has often contributed directly to shaping lending strategies and operations […] Bank staff outside research rely heavily on DEC's outputs" (2005:3-4). In his research, Squire (2000:125) found that more than 80% of the Bank's staff said that the Bank's research influences their views and opinion on development. Broads (2006:396) recognised that not only does the DEC serve a research department for the Bank, its research outputs also influence "other bilateral aid agencies and other and other multilateral development Bank's"; resulting in these institutions accepting and implementing the path to development that has been recommended by the Bank.

As recognised above, literature on the Bank, recognises the overrepresentation of the discipline of economics and economist in the Bank (see Wade (2002); Kapur (2006); Weaver (2007); Rao & Woolcock (2007), they point to institutions such as the Board of Governors, where positions are usually held by member "country's minister of finance; governor of its central bank; or a senior official of similar rank" (World Bank 2017d) as further evidence of the dominance of economics. Rao & Woolcock's (2007:1) argue that development problems

cannot be confined to a single discipline. Rather, development covers a wide range of issues which include; gender, culture, governance, participatory development etc. The focus on economics at the expense of other discipline has led to what Wade (2006) terms 'economic imperialism' within the Bank. Similarly, Rao & Woolcock (2007:3) state that the Bank "reflects and perpetuates a disciplinary monopoly that manifests itself in the fact that development policy at the Bank tends to reflect the fads, fashions, controversies, and debates of one discipline". In his research, Toussaint (2014:6) noticed that, from 1946 until 2012, out of the 10 presidents of the WBG, 7 of them including the first one, came directly from the business world. According to these authors, the dominance of economists and economics is highly likely to produce ideas and policies that favour the economic policies towards poverty and development.

Wade (2006:267) further states that the use of English as the working language of the Bank; the use of the US dollar as the main currency; and the geographical location of the Bank's headquarters in Washington DC favours a US disposition over the Bank. This according to Wade (2006:267) is further evidenced by the fact that over 80% of the economists employed by the Bank are either trained in Europe or North America. Their norms and values approach and outlook of development are highly likely to be "based on the assumptions and methodologies of Anglo-American liberalism and neo-classical economics (Berger & Beeson 2006:327). Wade (2006:306) further argues that these "values are exerted and maintained through the Bank's dependence on world financial markets, the self-reinforcing congruence between the values of the owners and managers of financial capital and those of the US state".

Weaver (2011:500) gave an example of the control that the US has over the Bank. In "1993, the chairman of the House authorizing committee informally told Bank management that the US contributions to the tenth replenishment of the IDA (IDA 10) would not be forthcoming until the Bank follow its requests" (Weaver 2011:500). The financial power that the US poses allows it to have greater control in the Bank in comparison to the rest of the Bank's member states. Similar to Rao & Woolcock (2007), Wade (2006:271) also states that, since the late 1970s economists within the Bank who do not toe the line regarding the main precept of neo-classical economics are either unlikely to be employed, promoted, or their research taken seriously. He points out that, a small number of social scientists from other disciplines that do work for the Bank are relegated to peripheral projects, and they have no influence or power over economic policy formulations (Wade 2006:271).

External influence is further entrenched in the Bank's institutionalised norms and values through bureaucratic culture. Wade (2002) argued that "the bureaucratic culture of the Bank includes the influences of its leader over the Bank's operations and agendas". As stated before, with the exception of Yong Kim who was elected in 2012, the head of the World Bank has always been a US citizen, literature therefore states that it is highly likely that the interests of the previously presidents reflected those of the US. For instance, during his presidency, Clausen made it very clear that "the only constituency that mattered' was the government of the United States (Mahbub ul Haq. Cited in Caufield 1996:144). As a result, the internal bureaucratic culture of the Bank has a strong influence on the Bank's norms and values with regards to development and poverty reduction (Wade 2002). Weaver (2007:502) states that some of the:

"distinct bureaucratic characteristics, such as the ideologies, norms, language, and routines that are collectively defined as the Bank's culture have emerged as a result of a dynamic interaction over time between the external material and normative environment and the interests and actions of the Bank's management and staff" (Weaver 2007:494).

From the perspectives above, it seems that bureaucratic culture has a great influence on the Bank and ultimately on the Bank's ideas and processes.

In his essay, *Japan, the World Bank, and the Art of Paradigm Maintenance,* Wade (2006:267) states that ideological hegemony of neo-liberal economics is maintained within the Bank by thoroughly "vetting and censorship of prominent Bank publications and public statements". Paradigm maintenance is further entrenched by "an internal intolerance of dissent", this is despite public claims made by its leaders that the Bank is based on pluralism, "internal self-reflection and criticism" (Wade 2006:268). Weaver (2007:502) gives the example of an internal memo that the then president James Wolfensohn (1996) gave just after declaring the Bank's aim to be more transparent and open. He stated that "criticism must be internal and constructive […] I will regard externally-voiced criticism of the Bank as an indication of a desire to find alternative employment" (Weaver 2007:502). Public criticism was perceived as being disloyal to the organisation, therefore not torelated.

Wade (2006:268) states that "The Bank's legitimacy depends upon the authority of its views; like the Vatican, and for similar reasons, it cannot afford to admit fallibility". Open debates are therefore not part of the Bank's culture, if dissenters insist public dissent, they are highly likely to be fired or stifled until they resign (Wade 2002), this can be seen through the demotion or resignation of high profile individuals such as, Joseph Stiglitz, Ravi Kanbur, and

William Easterly, (Wade 2002). Joseph Stiglitz, chief economist at the World Bank gave speeches around the world that were highly critical of the neo-liberal paradigm; this ultimately led to his dismissal. Ravi Kanbur, who was appointed to lead the team working on the World Development Report: Attacking Poverty 2000-01 was pressured to resign over "what he saw as an unreasonable pressure to tone down […] sections in globalisation" (Wade 2002). And lastly, William Easterly, who underwent disciplinary action after he failed to get clearance for an article in Financial Times that was published based on a book he wrote. The book claimed that "aid financing, including US$1 trillion in World Bank and IMF loans have failed to achieve their target of poverty alleviation" (Wade 2002). Rarely do we see or hear of any cases where World Bank staff have been demoted, dismissed or disciplined for unauthorized public expressions of views that are in line with neo-liberalism.

Wade (2006) puts across the argument that by examining external factors that influence the Bank, we can begin to understand how the Bank forms part of the external infrastructural power of the US. Even though the Bank does not act on every demand made by the US, the US still has great influence on the Bank. Boas and McNeil (2004:172) stated that following Joseph Stiglitz's speeches that disagreed with the Bank with regards to the Asian crisis and other crises, the US Treasury insisted on his resignation. Wade (1996:15), also recognised the power that the US Treasury and US hegemony has over and within the Bank, he states that "the Bank is unlikely to run against the strategic and diplomatic power of the US". Likewise, Broad (2006:397-410) found that Bank rejects discourses and outputs that oppose the American norms and values and its neo-liberal agenda.

2.6 Defining Poverty Reduction and Development

2.6.1 Defining Poverty

There is a broad scholarship on the subject of poverty from various disciplines; poverty is generally understood as a broad phenomenon with many definitions and faces, and it varies across different places, cultures and time (World Bank 2017). Poverty has therefore, taken on a variety of meanings as well as measurements. One thing that many of the definitions and understandings of poverty have in common, is that poverty is a situation people want to escape from (Woodward 2010). It is a moral dilemma that we are all burdened with; a call to change the world in order for the majority that are caught in the poverty cycle to escape it (Woodward 2010).

The common definition of poverty includes all the aspects above. It is regarded as a lack of certain amount of material possessions or money, it also includes social, economic, and political elements (Oberdabernig 2010:1). Poverty is usually measured as either absolute or relative. Absolute poverty is considered to be the same, it is independent of the individual's permanent location, time, culture etc. for instance, introduced in the 1990s, the dollar a day poverty line measured absolute poverty by the standard of the world's poorest countries. Absolute poverty is recognised as a "conditions characterized by server deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information (Toliba 2010:183). It depends not only on income but also on accesse to services. Robert McNamara, the former president of the Bank described absolute poverty as, "a condition so limited by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality, and low life expectancy as to be beneath any reasonable definition of human decency (Toliba 2010:183).

Relative poverty, on the other hand is relative to the individual's location and era; for instance, relative poverty occurs when an individual living in a specific country at a specific time does not enjoy the same level of living standards compared to rest of the population in the same country or society. It is therefore based on a social context. J. K. Galbraith (1958. Cited in Adamson 2012) argued that, "people are poverty stricken when their income, even if adequate for survival, falls markedly behind that of their community. In his articles *Poverty in the United Kingdom* Townsend (2008) stated that;

"People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty, they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation".

Townsend's (2008) definition of relative poverty was linked to the idea that poverty is deeply linked to societal participation. He transformed our understanding of poverty, allowing us to not simply perceive it as a lack of income, but as configuration of the economic conditions that prevents an individual from becoming a full and active member of their society (Townsend 2008). According to his definition of relative poverty, poverty therefore diminishes the ability of people to become full citizens in their society.

World Bank and Poverty

The World Bank describes poverty as:

> *[…] hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time.*

> *Poverty has many faces, changing from place to place and across time, and has been described in many ways. Most often, poverty is a situation people want to escape. So poverty is a call to action -- for the poor and the wealthy alike -- a call to change the world so that many more may have enough to eat, adequate shelter, access to education and health, protection from violence, and a voice in what happens in their communities.*

Onwuka (2006:106) stated that societies that lack development are highly likely to be plagued with poverty. This is evidenced in the "association between low levels of development and high incidence of poverty" (Onwuka 2006:106). Onwuka's (2006) argument is based on the measurement of poverty through income of expenditure parameters. In line with the Bank and other definitions of poverty, Onwuka (2006:107) does recognise that poverty is multidimensional, it involves, "the lack of access to education, to health care and infrastructural facilities, the denial of opportunities and choices to take independent decisions," to gain the respect of others and exclusion from political power. Poverty is, therefore, understood in the literature and in the Bank based on monetary indications, the move from SAPs to PRSP has however brought along with it a comprehensive and all-encompassing definition of poverty.

Since the McNamara era, the Bank has taken enormous strides to achieve its poverty reduction and development mission. Currently its mission is to end extreme poverty by 2020, and reduce the number of those living on less that $2.00 per day (World Bank 2017). The World Bank defines poverty in absolute terms; extreme poverty is defined in terms of those living on less than $1.25 per day. Moderate poverty being those living on less than $2.00 a day (World Bank 2017c). Income has therefore been the most common way of measuring

poverty in developing countries by the Bank which is termed income poverty. As previously stated, the Bank has been focused on poverty reduction and development since the McNamara era, its policies and strategies on this mission has faced harsh criticism over the years especially during the SAP era.

Structural Adjustment and Poverty Reduction

During the 1970s the world experienced several economic crises that crippled first world and third world countries alike – oil crisis, debt crisis, multiple economic depressions, and stagflation. Due to these fiscal disasters, the IMF and its sister institution the WB decided that deep intervention in countries that had been severely devastated, mainly sub-Saharan African countries, was a necessary condition to improve the countries overall well-being. These loans were therefore, created with the intention of bailing out these economies, eliminating poverty and aiding in development.

SAP were therefore policies that were attached to the loans that the Bank and IMF were lending out to the borrowing countries. These loans were connected with conditionalities like significant policy reforms which had to be complied with before getting the loan (Abugre 2000). SAP were designed for individual countries based on their economic needs, however the guiding principles and feature they had in common were, export-led growth; privatisation and liberalisation; and the efficiency of the free market. Essentially, the Bank prescribed cutbacks, liberalisation of the economy and export-orientates open markets as part of their structural adjustment. The role of the state was minimized, privatisation was encouraged as well as reduced protection of domestic industries. Other adjustment policies also included currency devaluation, increased interest rates, flexibility of labour markets, and the elimination of subsidies. In order to be attractive to foreign investment, various regulations and standards were also reduced or removed.

The countries in which SAPs were implemented not only varied in terms of the size of their economies and pre-program conditions from non-program countries but also from each other. It is therefore difficult to gage the effects of these policies with regards to poverty reduction, regardless, SAP received major criticism from the Bank's recipient countries and the international society at large.

Many critics pointed to the lack of progress made by SAP towards development and poverty reduction. Rather, most argued that SAP was actually exacerbating poverty instead of leading to their promised results (Gunter, Cohen, & Lofgren 2005). Easterly (2003) argued that, the impact of SAP on recipient countries were devastating. Through SAP poor countries were encouraged to export more goods in order to raise enough money to pay back their loans within the given time frame. Essentially, the majority of these countries were forced to compete and trade on the global market before they were economically stable to do so. Most were advised by the Bank to focus on cash crops which were similar to each other, eg. Peanuts, maize, cocoa etc. which ultimately resulted in a scale price war (Easterly 2003). This resulted in goods becoming cheaper, as the majority of countries were competing against each other with the same product, this according to Easterly (2003) was only advantageous to wealthy western countries. Smith (1994:139) noted that, poor countries lose out and poverty is exacerbated when they, export commodities (which are usually cheaper than finished products). According to Smith (1994) poorer countries are effectively denied and blocked from "industrial capital and real technology transfer, and import finished products" (which are more expensive compared to the raw material exported). This according to Smith (1994) leads to less circulation of money in their own economy and a smaller multiplier effect.

Similarly, Petifor (2002) stated that, not only has Africa's health been compromised, basic food security has also been undermined. She states that through SAP, "the Malawian government was forced to sell its surplus grain in favour of foreign exchange just before a famine struck. This was explicitly so that debts could be repaid. 7 million of the total 11 million population was severely short of food". Petifor went on to say "Malawi removed all farming and food subsidies allowing the market to determine demand and supply for food. This reduced support for farmers, lead millions to go hungry as prices increased".

In order to pay the loans back, the recipient countries were also advised to increase export of these cash crops which were over saturated in the global market, the Bank advised that this will keep recipient countries currencies stable so they can earn foreign exchange, which will inevitably help them pay their debts. Recipient governments were also advised to "spend less, reduce consumption, remove or decrease financial regulations etc." (Petifor 2002). Over time; "the value of labor decreases, capital flows become more volatile, governments stop spending on important services – health, education etc. -, investors concerned about their assets and interest might pull out very easily if things get tough" (Petifor 2002). This loss of confidence by investors will inevitability lead to capital flight, therefore economic collapse. Critics present the Asian global financial crises of 1997/98/99, Mexico, Brazil etc. as examples of the effect of SAP. Ultimately all of this means, the poor country gets poorer, poverty levels and debt escalate (Colgan 2002).

The example above are just a few amongst many that have been put forward by critics. The Bank itself has entertained the idea that maybe its SAP did have some negative effects on its recipient countries. In an internal World Bank Report (2000) the Bretton Woods Project revealed that "the poor are better off without structural adjustment". Although the Bank has never pointed the 'failure' of SAP on the SAP themselves, in 1999, SAP underwent a

transition that introduced the Poverty Reduction Growth Facility (PRGP) and Poverty Reduction Strategy Papers (PRSPs) as the new precondition for loan and debt relief. These were introduced as a result of the Bank's belief that in order to achieve sustainable poverty eradication and development; "economic policy programmes must be founded on strong country ownership" (IMF 2016). PRSPs therefore focused more on a flexible and creative approach to policy creation that involved all stakeholders; it was more of a bottom up approach.

PRPS takes the form of a document that is in theory, prepared by all stakeholders - the recipient government, civil society including the poor, under the supervision of the Bank. Its inclusivity is one of the principles that set the PRSP apart from its predecessor (SAP), it is said to " analyse the incidence, nature and causes of a country's poverty, who the poor are, and define strategies for overcoming poverty with specified policy and expenditure targets" (Guttal 2001). What is new is therefore, the objective of achieving a strategy that will be "locally generated and owned" and developed through "wide participatory dialogue" focused at both the mirco and macro policy making levels (Guttal 2001). PRSP also encouraged accountability from the recipient government to their domestic constituencies, rather than to the donor, this was to ensure that the "poor become active participants not just passive recipients" (Guttal 2001).

Despite the move from SAP to PRSP, many critics argued that, the effects on poverty and development are still the same as the preceding disastrous SAP (see Guttal 2001 and Wade 206). In his research Guttle (2001) found that in the name of poverty reduction and development, the Bank essentially expanded its basis for sustaining externally driven structural adjustment plans. His conclusion was based on the fact that, despite promoting ownership, the PRSP still promoted the same principles to development and poverty

reduction as those propoted by SAP – policy 'reform', liberalisation, privatisation, fiscal and administrative reform, assets management. He went on to say; "fighting poverty become the newest justification for the aging prescription geared to increasing the overall opening of the 'host country' to external economic actors and free market rules" (Guttal 2001). Similarly, George (1990) stated that, PRSP spoke of concessional lending with an explicit focus on poverty reduction in the context of growth oriented strategy. What this actually meant in practice was, while recipient government and civil society was free to discuss poverty mapping; the final document could not step out of the confines of neoliberal free market framework, this guided its 'broad' economic policies.

Despite the harsh criticism that the Bank has been met with regarding its PRSP, one can argue that the mere fact that the Bank acknowledged the 'failure' of SAP to bring about the anticipated change, means that the Bank is not only influenced by internal and external sources of power. Rather, the Bank is also influenced by different elements; the views of society at large and the effects of its policies. For instance, the move from SAPs to PRSP and other pro-poor strategies have resulted in a multidimensional understanding of poverty within the Bank, poverty can now be measured using indexes such as "income, health, education, empowerment, and working conditions" (Goldin & Reinert 2006:3) this can be argued is a direct result of the apparent short comings of SAP. The Bank, therefore does not exist in a single vacuum, rather it is shaped and influenced by various elements, these elements also influence its policy and views towards development and poverty. Kanbur and Vines (2000:87) have rightly explained that "the World Bank is not independent of either the intellectual world or the political world in which it operates" and therefore "the Bank's thinking on poverty closely parallels academic concerns with poverty, and its actions with regards to policy reflects the political priority" afforded to poverty.

2.6.2 Defining Development

Similar to the concept of poverty, development is a concept and a phenomenon that has been highly contested in the literature. In general terms, development is defined as an "event constituting a new stage in a changing situation or the process of change per se" (Bellu 2013). Development is therefore intended to do something positive, an improvement to favourable circumstances. When society or a socio-economic system is taken as a subject of development, development is generally regarded as an improvement in the general situation especially living conditions of that system (Bellu 2013). Development policies, private investments etc., are all examples of such actions.

Iwayemi (1993.cited in Onwuka 2006:106) stated that development entails an "increase in real per capita income of a country over a long period of time, coupled with the equitable distribution of the same in order to achieve improvement in the standard of living of the population". Iwayemi's (1993.cited in Onwuka 2006:106) definition of development is based on economic growth, which is how development is understood in the general sense.

Working on the definition of development given by Stiglitz (2001), Onwuka (2006:106) states that:

Development involves the acceleration of economic growth and changes in structures, attitudes and institutions with a view of achieving the reduction of inequality and poverty […] Thus development is modernization with a human approach as the emphasis is on distributive justice as basic needs are satisfied through the income generated and the fruits of development shared equitably among the different segments of society.

Modernization with a human approach has compelled many writers like Harrison (1993) to regard development as a "continuous and positively evaluated process of social and economic change that involves the totality of human experience", meaning that is not only measured through economic growth. Ake (1990) argued that development also needs to be sustainable, as people sustain development, "it must be an integral part of their lives". Ake's (1990) understanding of development is based on the assumption that, sustainable development can only occur if its processes and innovations are in line with the desires of the people whom development is intended for.

Stiglitz (2000) also provided a definition of development, based on the new development paradigm of the post-Washington Consensus (PWC). He states that:

"Development entails changes in ways of making, in economic and social organisation entailing among other things, an acceptance of change" (Stiglitz 2000:2)

The definitions of development provided above are all influenced by the development thinking of the 1990s, as they emphasize development as an increase in economic growth and per capita income. Although other indications to development are mentioned – healthcare, education, infrastructure etc. development is generally understood in terms of economic growth as the outcome of development is recognised as the reduction of inequalities and improvement in standards of living.

Development as stated above is therefore a broad subject with different interpretations. It is a multi-dimensional concept by nature, as any improvements of socio-economic systems can

occur “in different parts or ways, at different speeds and driven by different forces’ (Bellu 2013). Belle (2013) stated that, development can raise conflicting objectives and conflicts, as the development of one part of the system might be detrimental to the development of other parts. As a result, measuring development is also a multidimensional exercise as there are different aspects of development; economic development, human development. Sustainable development, and territorial development. Economic development has traditionally been viewed by the Bank as the first form of development, during the SAP economic development was strictly associated with the concept of economic growth, in turn defined as an increase in the per capita income of the economic system (Bellu 2013).

Human development is one of the new aspects that PRSP brought along. It emphasised the link between human capital and growth constituted a step towards a multi-dimensional concept of development, “where knowledge is not only fundamental to economic growth but an end per se, as it generates empowerment, self-reliance and a general improvement in community and social relationships” (UNDP 2010). Human development therefore include:” (i) Long and healthy life, (ii) knowledge and (iii) a decent standard of living, respectively measured by life expectancy at birth, mean years and expected years of schooling and gross national income per capita at purchasing parity”. (UNDP 2010). The Human Development Index was therefore adjusted on the basis of (iv), “the inequality in the distribution if the specific features within countries, assuming that the unequal distribution of wealth is an undesirable feature of the development process (Bellu 2013)

Similarly as stated before, the adoption of the Bank’s human development alongside its economic development shows that the Bank does not operate in a vacuum. With the move to the PRSP the Bank adjusted its views on development as economic development was not an

encompassing definition of poverty. PRSP therefore brought with it the idea that development cannot be viewed in terms of monetary value alone, rather other social aspects were also an important aspect of development.

2.7 The Bank and Neo-liberal Agenda: Towards Poverty Alleviation

2.7.1 Neo-liberalism

The 1980s witness a new radical change in the global political system; the Washington Consensus (WC) had emerged as the neo-liberal counterpart for developing economies to the Reaganism and Thatcherism that had been prescribed for developed economies. This ideology heavily relied upon "market forces and the reduction of state intervention and expenditure to a minimum" (Fine 2001). Neo-liberalism, therefore, presented a major assault on the national developmentalism in which the state played an active role in development. National developmentalism purported developmental strategies such as, import substitution, industrialization and financial repression (Onis & Senses 2003:1).

The WC purported that in order to achieve development – good economic performance –: countries required liberalised trade, macro-economic stability, and getting prices right" (Fine 2001). Once recipient countries implement these policies, which essentially meant 'getting out of the way', private markets would "produce the efficient allocations and growth, despite the fact that policies advanced by the WC are hardly complete and sometimes misguided. Proponents of the WC recognised that, making markets work requires more than low inflation, rather, it requires "sound financial regulation, competition policy, and policies to facilitate the transfer of technology," (Fine 2001).

2.6.2 Neo-liberalism in the World Bank

A lot has been written on the Bank and the neo-liberal project with regards to development and poverty reduction in the Third World countries, as well as with regards to the Bank's ideological framework. Many writers like Berger & Beeson (2006); Wade (2006); Ruggie (1982); etc. have argued that since the 1980s the Bank has occupied a central position in the maintenance and dissemination of liberal and neo-liberal development principles around the world. Neo-liberal principles have been prescribed as the best way to do development by the Bank and the best way to organise an economy in order to ensure economic growth for development. Berger & Beeson (2006:318) take this argument a step further and argue that not only is the Bank responsible for sustaining the hegemony of liberal ideas on development around the world, it has been at the forefront in the wider re-invention of liberalism in the post-Cold War era.

Berger & Beeson (2006:324) stated that the famous World Bank Berg Report of 1981 along with changes in the international economy; the debt crises of the 1980s, combined with the general neo-liberal turn of the Thatcher and Reagan administration, led to a greater focus on neo-liberal policy reform through structural adjustment lending by the Bank. '*Accelerated Development in Sub-Saharan Africa: An Agenda for Action'* written by Eliot Berg was characterised by a particularly devote commitment to neo-liberalism; it advocated for a greater reliance on the market as a means for accelerating economic growth and a reduced role for the state in economic activities (Mosley, Harrigan & Toye 1991:23-24). The Berg Report, therefore, offered a theoretical justification of the new development paradigm and its policy instrument, the SAPs (Mosley, Harrigan & Toye 1991:23-24). Bernstein (2006:344) argued that through its SAP the Bank declared conviction that "its peculiar neo-liberal conception of comprehensive social engineering (WC) was the only way to develop, and

thereby to order, the fairly economies – and with them the fairly states and indeed fairly societies of sub-Saharan Africa". Lewis Preston (1991-1995), the then President of the Bank stated that "the demise of the Soviet Bloc had led to, the broad convergence of development thinking which has replaced ideological conflict and a consensus based on free market, a balance between the private sector and government sustainable economic growth was spreading around the globe" (Preston 1991.cited in Mosley, Harrigan & Toye 1991:23).

While various forms of market pluralism continued to dominate in the West and in African countries through conditions applied to development assistance by the Bank, by the late 1980s early 1990s, the neo-liberal structural adjustment was coming under attack from both the developed and developing countries (Murphy 2008:66). Neo-liberal economic reforms turned out to be a lot more complex than the Bank anticipated, with the exception of Chile, where the free market restructuring was implemented under a brutal military dictatorship (Murphy 2008:66). SAPs were associated with problems such as; "a wholesale liberalisation of property rights" which permitted the "elite to capture markets, strip assets and destroy the existing economies without investing in any alternatives" (Murphy 2008:66). The Bank maintained the position that SAPs 'failed' due to its policy prescriptions not be implemented correctly.

Due to the unpopularity of SAPs and other challenges in the global arena, the Bank abandoned these policy prescriptions, in favour of a more comprehensive development approach that focused on poverty reduction – amore human faced approach to poverty. The early 1990s poverty reduction was the benchmark for measuring economic development in developing countries (Kapur et al 1997:51). This shift intensified with the appointment of James Wolfensohn as the Bank president in 1995. Wolfensohn emphasised a new approach to

development through the adoption of PRSP methodology; all Bank activities were to emphasise the ultimate objective of reducing poverty (Murphy 2008:54). PRSP emphasised on social outcomes, "country ownership" and "inclusivity" through the involvement of the Bank's recipient countries and civil society organisations (Murphy 2008:54). Wolfensohn asserted that "we cannot adopt a system in which the macroeconomic and financial is considered apart from the social and human aspect, and vice versa" (Wolfensohn 1997.cited in Murphy 2008:55). The move from SAPs to PRSP, therefore, signified a significant shift in the Bank's understanding of poverty and development, as it recommended pro-poor strategies to development and a comprehensive understanding of poverty.

Despite the radical move from SAPs to PRSPs, critics argue that the macroeconomic goals that are advocated by PRSPs are imbued in the "philosophy of structural adjustment: export-oriented growth, reduction in the size of the public sector, and privatisations" (Murphy 2008:61). In their research on PRSP, Sanchez and Cash (2003) examined the content and process of PRSPs in 9 countries. Their research concluded that the main goals of PRSPs was not poverty reduction as stated in policy documents, rather, the main goal was economic growth. PRSPs according to the writers were simply a reinvention of the neo-liberal economic policies that were present in SAPs. For instance, privatisation was heavily emphasised in the PRSPs of the 9 countries observed, they advocated for trade liberalisation and market assets; these same principles can be found in SAPs (Sanchez & Cash 2003). Critics, therefore, argue that the new strategies that have been implemented and advocated by the Bank are not a drastic move from neo-liberal economic strategies, they are based on the continuation of principles such as fiscal prudence and privatisation, which are heavily embedded in SAPs. Proponents of the Bank however, argue that previously the Bank emphasised on economic policies as a strategy for development. The Bank has completely

moved away from this and it has set its sights on social policies through poverty reduction. The Bank therefore, aims to achieve development through a wide range of indicators, such as health, education, and gender equity, to environment and governance (Murphy 2008:61). The introduction of poverty as the main goal in the Bank therefore reflects change. Critics argue that the turn to poverty alleviation by the Bank is more of "window dressing of neo-liberalism", as WC and PWC are viewed "under the title of neo-liberalism" (Cammack 2004:128).

Cammack (2004:127), describes the Bank's 1990 turn to anti-poverty as part of a "systematic programme for the establishment and consolidation of capitalism on a global scale [starting with] the conversion of the world's poor into proletarians". Similarly, Kothari and Minogue (2002:0) refer to the anti-poverty targets as proof of "the continuing dominance of the neo-liberal paradigm within development. In line with their argument, Oyen (2002) argues that the new approach to poverty reduction and sustainable development are still rooted in the neo-liberal agenda. Rather than the PWC being a move from neo-liberalism, it is "a means to completing it" (Oyen 2002:112). This for Oyen (2002:112) is evidence by economic growth being at the heart of poverty reduction strategies. In his analysis on PRSP, Oyen (2002) argues that PRSPs promote the productive use of those in Third World's most abundant asset, which is labour. This calls for "policies that harness market incentives, social and political institutions, infrastructure and technology to that end" (Oyen 2002:113). The author states that, there is an urgent need for a new discourse on poverty and poverty reduction, that will challenge the dominating discourses that currently guide our understanding of development and poverty reduction. Critics therefore argue that, the Bank has occupied a central position in the neo-liberal project and continues to do so today.

Wade (2002:214) argued that the ideas of development and poverty that are advocated by the Bank are not entirely apolitical, rather its ideas have been strongly influenced by powerful actors such as the US. Wade (2002:215) points out that the USA's "foreign economic policy since the Reagan administration in 1980 has aimed to convince the world of the truth of liberal free market ideology"; neoliberalism has been advocated as the only way to economic development. Similarly, Cammack (2004:191) points out that the Bank's publication, *The World Development Report: Poverty* (1990) prioritised increasing labour activity as a strategy for poverty reduction. This strategy according to Cammack (2004:191) is consistent with neo-liberal economic principles. As stated above, Cammack's (2004) goes on to say, "from analysing such documents we can understand the type of approach to development that the Bank prefers".

Broad (2006) also offers an analysis which supports the notion that the Bank's research outputs on development and poverty reduction have aimed to promote and reinforce the neo-liberal ideology. He argues that historically, research conducted by the Bank has always reflected a neo-liberal agenda. Referencing Wade's (2006) article, *Japan, the World Bank and the Art of Paradigm Maintenance*, Broads (2006) describes the Bank's "paradigm maintenance" of neo-liberal ideology, which he states informs its research and is guided by an economic development approach. The Bank according to Broad (2006:387-88), is a "maintainer and projector of the neo-liberal economic paradigm which came into prominence in the 1980s and 90s". Similarly, Birdsall (2007:52) argued that the Bank's main mission of reducing global poverty is perceived through an economic development lens, which essentially means poverty reduction through trade and investment in open, liberal global markets. Market-led growth and poverty reduction, according to Birdsall (2007:52) are generally one mutually reinforcing concepts.

Understanding the connection between the Bank and neo-liberalism is of great importance to this thesis, as this is what the research is primarily concerned with. The purpose of this section was not to address the question of whether the development policies of the Bank are actually reducing poverty, or are capable to doing so. It was also not concerned with the broader question of whether neo-liberal economic development principles are compatible with development and poverty reduction. Rather the purpose of this section and the thesis is to understand what the Bank means when it says 'poverty reduction' and 'development' and the ideology that guides its thinking.

Conclusion

This chapter has presented a review of literature relating to the World Bank's governance, representation, external and internal sources of influence, as well as the debates on the Bank's ideological framework and its understanding of development. The beginning of the chapter gave a résumé of the Bank, it established that a link can be made between the Bank's governance structure, the ideas that are represented and ignored, as well as its legitimacy in the development community. This literature review has also evidenced the extent to and intellectual culture and bureaucratic culture influences the Bank's development thinking. It has evidenced a dominant 'economistic', culture which the Bank operates through, which essentially guides its development thinking. The role of dominate members like the US has also been uncovered. The literature review has presented an argument, that charges the US with using the Bank for its own economic gains. This chapter has given a brief introduction to the history of neo-liberalism in the Bank, it has also presented an explanatory discussion

on key concepts; poverty and development and how development and poverty was perceived during the SAP era and why the Bank's thinking on development changed to PRSP .

Chapter 3

A Theoretical and Methodological Framework for the Research

This thesis employs critical theory and critical discourse analysis in order to accomplish its task. The works of writers like Robert Cox on critical international theory and critical analysis will guide this chapter.

3.1 Ideology

The concept of Ideology is central to this analysis, as this thesis seeks to critically engage with the development ideology of the World Bank. Ideology is a term that is largely contested IR and Development literature it has a variety of meanings and usages. In his interpretation of ideology, Gramsci (Cited in Shelby 2003:163) stated that:

"[…] a social group may have its conception of the world, but this same group has for reasons of submission and intellectual subordination, adopted a conception which is not its own, and it affirms this conception verbally and believes itself to be following it, because this is the conception which follows in normal time […] This is when the conduct is not independent and autonomous, but submissive and subordinate".

Eagleton (1994:5) also gave a similar description, he states that:

"A dominant power may legitimate itself by promoting beliefs and values congenial to it; naturalising and universalising such beliefs so as to render them self-evident and apparently inevitable; denigrating ideas which might challenge it; excluding rival forms of thought, perhaps by some unspoken systematic logic; and obscuring social reality in ways convenient to itself".

Shelby (2003:163) stated that:

"An ideology […] is a system of ideas, theories, beliefs, attitudes, norms, and social practices that (a) is characteristic of a class society or […] other primary social group in a class

society and that (b) serves principally [the] *primary social group while typically at least, putting itself forward as answering to interests of the whole of the society."*

The definitions of ideology that are stated above take society as the primary objective of the analysis. This thesis, however, adopts these definitions and employs them to the global arena. Ideology is therefore used nonevaluatively, and is understood as, dominant ideas that are held by powerful groups at the international level, that are transmitted and accepted throughout the international sphere as 'universal' and 'eternal'. They therefore, become the common sense understanding of how or what the world is, they are followed and unquestioned by less powerful actors. Ideology is maintained by these powerful actors through denigrating other ideas and using power positions in the global arena to maintain the status quo (see, Shelby (2003); & Eagleton (1994)).

3.2 Hegemony

Hegemony also plays an important aspect in this analysis, in its general sense it is recognised as the dominance of one group over another (Moolakkattu 2009:444). Gramsci's notion of hegemony took society as its subject of analysis. in his interpretation of hegemony, Cox (1982) extended this concept to the global sphere (Moolakkattu 2009:444). Cox (1996) states that:

[H]egemony at the international level is […] *not merely an order among states. It is an order within a world economy with a dominant mode of production which penetrates into all countries and links into other subordinate modes of production. It is also a complex of international social relationships which connects the social classes of the different countries.*

(Cox and Sinclair 1996:137).

Hegemony, in this thesis is therefore understood as the dominance of the World Bank in the global sphere. Enabling it to present ideas on development that are normalised and universalised in the development community. Its hegemonic position therefore, allow Bank to dictate the dominant narrative in the business of development.

3.3 Critical Theory

Critical theory is a term and concept that is often evoked in the literature but it is frequently misunderstood. The origins of this theory date back to the 1930s in the Weirmar Republic, when it was introduced by the Frankfurt school (Rush 2004:1). The Frankfurt school was a group of writers who were connected to the Institute of Social Research at the University of Frankfurt (Rush 2004:1). Despite introducing critical theory to the world, the writers within this school did not and have not provided a unified concrete definition and approach to critical theory (Rush 2004:i). Its founding fathers, Theodore Adorno, Max Horkheimer, and Herbert Marcuse "initiated a conversation with the German tradition of philosophical and social thought, especially Marx, Kant, Hegel, and Weber, whose political sensibilities were influenced by the devastation of World War I" (Steinberg & Kincheloe 2010:140). Writing at a time marked by economic depression –inflation and unemployment-, they "defined Marxist orthodoxy while deepening their belief that injustice and subjugation shaped the lived world" (Steinberg & Kincheloe 2010:140). Focusing their attention on capitalism, these critical theorists analysed the changing nature of this dominant ideology (Steinberg & Kincheloe 2010:140). From its conception, critical theory was based on a critical engagement with dominant forms of power and ideologies. Its entry into IR in the 1980s meant that basic assumptions and ideas that were previously unquestioned, were placed under a critical lens

(Devetak 1996:145). Critical theory therefore, introduced an approach to IR that critically challenged the status quo, it critically engaged with unquestioned assumptions and structures of power.

Steinberg & Kincheloe (2010:141) stated that critical theory is a difficult theory to define and pinpoint, this is largely due to that fact that: (a) it is constantly changing an evolving; (b) its flexibility is its biggest strength as it avoids being rigid and static and there is always room for disagreement among critical theorists. The underlying similarities amongst most of the definitions of critical theory is that critical theory is a tool that aids in the understanding of different influences that have shaped society, it also allows researcher to question whether there are possibilities for change within the present order for social transformation (Steinberg & Kincheloe 2010:141). Similarly, Devetak (1996:151) stated that critical theory views the present social order and political relations in terms of their historical influences; these historical processes must be challenged and explained. At its core, critical theory is concerned with challenging the status quo and calling into question processes and institutions that have influenced different structures in society.

In his book, *Traditional and Critical Theory,* Horkheimer (1972:196), asserted that we cannot engage with critical theory in its totality because the events it analyses are constantly changing. Critical theory is therefore based "on a self-reproducing totality". Horkheimer (1972:196) gives his 'definition' of critical theory by attempting to delineate the differences between traditional and critical theories. He argues that, a critical theory must be "explanatory, practical, and normative" (Horkheimer 1972:199). It must sufficiently explain the social problems that exist within society. Therefore, it must, be able to provide practical solutions – how to respond and how to make changes - to the problems it identifies. Norms

and values that guide that particular field of study must also be applied and questioned (Horkheimer 1972:199). This according to Horkheimer (1972) is the basis of critical theory.

Traditional theory, on the other hand, is perceived by Horkheimer (1972:196) as a theory whose primary criterion is harmony, "all of the constituent parts form a coherent whole, free of contradiction". He criticised traditional theorists for taking part in research that fails to question and challenge power structures, domination and the status quo (Horkheimer 1972:196). Critical theory is therefore defined as a social theory that is based on engaging with society on a critical level in order to change aspects of that society and expose power relations. Traditional theory, as stated above is in sharp contrast to this, as it is concerned solely with understanding and explaining problems in society (Horkheimer 1972:198). Thus building on Horkheimer's (1972) understanding of critical theory, Rush (2004:10) stated that critical theory seeks to uncover hidden meaning of social life, it seeks to expose the assumptions that prevent us from gaining a full understanding of how the world works. Essentially critical theory seeks "alternatives to the existing order". It has a "normative character and interest as well" (Rush 2004:10). Critical theory not only seeks to understand the problems in society, it seeks to understand the processes of how certain aspects of society came about, their influences and how they can be changed.

In their reconceptualization of critical theory, Steinberg & Kincheloe (2010:143) found that, when applied to research, critical theory does not only aid us in our understanding of how we see the world, it also helps us "device questions and strategies for exploring it". Issues of power, justice, and the economy; matters of, ideology, discourses, gender, class, religion etc. and how cultural dynamics interact to construct a social system are the central concerns of critical analysis (Steinberg & Kincheloe 2010:144). Steinberg & Kincheloe's (2010:144)

understanding of critical analysis is therefore, concerned with exposing the winners and losers in society and the processes which power operates to the advantage of the winners. Their explanation of critical analysis allows researchers to engage critically with the ideas and information about the world that is presented to us as 'truth', questioning and challenging these assumptions enables us to understand that information is incomplete, biased, and shaped by "social, political, and economic interest" (Steinberg & Kincheloe 2010:143). Researchers that employ critical theory gain insight into whose interest are being served and whose are being neglected, such knowledge according to the authors, allows researchers to be in a position to empower, which was not previously possible through traditional theory (Steinberg & Kincheloe 2010:143).

The above explanations that are given on critical theory have many aspects in common, one of them being 'society'. Society is the central point of analysis; a focus on society results in the failure to address inequalities at the international level, which is what this thesis concerns itself with. Cox (1981.Cited in Moolakkattu 2009:443) highlights that "the Frankfurt School […] never addressed international relations in its critiques of the modern world", society is generally taken as the main focus, resulting in the "neglect of the dimension of power relations between and across societies". The limitations of critical theory at the international level are filled in by Cox's critical international theory. Critical international theory, is, therefore, an expansion of critical theory at an international level, as it takes "the global configurations of power relations as its object of analysis, in addition to understanding historical features and process in the global arena (Moolakkattu 2009:444).

3.4 Robert Cox' Interpretation of Critical Theory

Robert Cox's (1981) immense work on critical theory has led many writers like Moolakkattu (2009) to praise him as the father of critical theory of International Relations (IR). In his interpretation of critical theory, Cox (1981) makes a distinction between critical theory and problem-solving theory. Critical theory is critical "in the sense that it stands apart from the prevailing order of the world and asks how that order came about" (Cox & Sinclair 1996:89). It critically engages with institutions, social and power relations; it does not take for granted their origins or the possibility of change within these institutions or within existing power relations in contemporary society (Cox & Sinclair 1996:89).

Problem-solving theory, "on the other hand, assumes that states are not subject to fundamental changes, but limited or incremental changes and all actions take place within a limited framework" (Moolakkattu 2009:443). Cox (1982. cited in Moolakkattu 2009:443) argues that critical theory goes beyond states, as it seeks to "identify the origins and transformative or developmental potential of historical phenomena". It seeks out the sources of contradiction and conflict in these entities and evaluates their potential to change into different patterns", problem-solving seek to "smooth the functioning of the whole" (Sinclair 1996:6). It also "allows for a normative choice in favour of a social and political order different from the prevailing order" (Cox 1996.cited in Sinclair 1996:6). Unlike problem-solving theory, critical theory rejects that notion of unbiased or impartial analysis, rather, it suggests that prevailing social orders and the "cognitive processes taking place within that society are all subject to political interests", they are also shaped by norms and values, ideology and beliefs of the dominant groups in society (Devetak 2009:157-60). There is therefore, no knowledge that is free from influence by some form of political interests. Cox (1982.cited in Cox and Sinclair 1996:87) takes this argument further by stating that:

"Theory is always for someone and for some purpose. All theories have a perspective. Perspective derives from a position in time and space, specifically social and political time and space. The world is seen from a standpoint definable in terms of nation or social class, of dominance or subordination, of rising or declining power, of a sense of immobility or of present crisis, of past experience, and of hopes and expectations for the future […] There is […] no such thing as theory in itself, divorced from a standpoint in time and space. When any theory so presents itself, it is more important to examine it as ideology, and to lay bare its concealed perspective".

Cox's (1982) interpretation make it clear that no 'theory' is free from political interests and influences; it should, therefore, be regarded as an ideology in which critical theory can be used to uncover the hidden norms, values, and interest. Through critical theory, researchers can disrupt the status quo, they can challenge social orders, structures, and power relations.

As previously stated, interpretation of critical theory used society as the subject of analysis, meaning that it is confined to the domestic sphere. Cox (2001:45) states that, within critical international theory, IR is a "misleading way of describing the object of our search for knowledge". The author, therefore, focuses on world order, in which states are but only one component (Moolakkattu 2009:432). This according to Moolakkattu (2009:432) allows him to avoid the state-centrism within IR. 'World order' or 'global politics', therefore allows him to connect the domestic and the global (Moolakkattu 2009:432). He explains:

"I deliberately avoid using a term like 'international relations' since it embodies certain assumptions about global power relations that need to be questioned. 'International relations' implies the Westphalian state system as its basic framework, and this may no

longer be an entirely adequate basis since there are forms of power other than state power that enter into global relations. 'World order' is neutral as it regards the nature of the entities that constitute power" (2001.cited in Moolakkattu 2009:432).

Cox's critical international theory, therefore, allows us to critically engage with other forms of power in the global arena, such as IFI. In line with his understanding of critical international theory, this study seeks to critically engage with the Bank's ideological framework within the international sphere. It seeks to challenge and question the status quo and 'stand apart from the prevailing order'.

3.5 Discourse Analysis

It can be argued that discourse has been a buzz word for the last 10 years within the development literature. Jorgensen and Phillips (2002:01) recognised that, within debates and scientific texts, the term has been used indiscriminately, it is often not defined or given a specific meaning. They stated that the term has become all too vague, "either meaning almost nothing, or being used with more precise, but rather different, meanings in different contexts" (Jorgensen & Phillips 2002:01). In the most abstract sense, 'discourse' is understood as the idea that language is "structured according to different patterns that people's utterances follow when they take part in different domains of social life", for instance 'political discourse' (Jorgensen & Phillips 2002:01). Rogers (2011:6) stated that discourses are social products, processes, and practices, they are both the subject of study and the methodological device used in order to make meaning of that object. From the above definitions it is quite clear that discourse is an ambiguous term that is used broadly depending on the 'discourse' and object of study.

For Fairclough (2003:2), discourse "signals the particular view of language in use and element of social life which is closely interconnected to other elements". In *Analyzing Discourse,* Fairclough (2000.cited in Jorgensen & Phillips 2002) recognised that discourse can be applied in three different ways:

"Discourse refers to "language use as social practice". Secondly, discourse is understood as the kind of language used within a specific field, such as political or scientific discourse, and thirdly, in the most concrete usage, discourse is used as a count noun (a discourse, the discourse, the discourses, discourses) referring to a way of speaking".

Fairclough's conceptualization of discourse is solely based on semiosis. Gee (1996:viii) offers a well-rounded interpretation to discourse. He understands it as:

"Ways of combining and integrating language, actions, interactions, ways of thinking, believing, valuing and using various symbols, tools, objects to enact a particular set of socially recognizable identity". (Gee 1996:viii)

From Gee's (1996) interpretation of discourse, it is clear that discourse is not confined to language as presented by Fairclough (2003). He states that "discourses include much more than language" (Gee 1996:viii). Gee's (1996:viii) interpretation of discourse analysis asks the researcher to attend to how meanings are built and transformed over time. He argues that discourse can refer to ways of thinking, believing and writing (cited in Rogers 2011:8). Following Gee's (1996:2) conceptualization of discourse, discourse can, therefore, include spoken or written representations of development or development thinking within the Bank. World Bank texts and beliefs can be treated as discourse as they present an opportunity to analyse different ways in which social phenomena can be represented or enacted (Rogers

2011:8). Through discourse, one can look out for more ways in which the discourse of development is represented through the Bank's texts, speech etc.

This research is concerned with understanding the development ideology that exists within the Bank nd the external and internal sources of influences that have shaped this position. Discourse and ideology are two sides of the same coin in this thesis, as a discourse often characterized by a certain ideology or ideologies. Lock (2004:1) recognised that ideology will often have to be considered when analysing a particular discourse.

3.5.1 Critical Discourse Analysis

This thesis employs critical discourse analysis (CDA) as a methodology. CDA, as recognised by Junks (1996:1), comes from a critical theory of language "which sees the use of language as a form of social practice". Social practices are formulated through historical practices, and these have shaped the dominant social order, within this order "social relations are reproduced or contested and different interests are served" (Junks 1996:1). Junks (1996:1) states that CDA is centered around the question of interests and power relations, for instance, "How is the text positioned or positioning? Whose interests are served by this position? Whose interests are negated? What are the consequences of this positioning?". CDA is, therefore, a suitable methodology for this thesis as it allows for the questioning of interests and power relations in the Bank and within the global arena. It allows us to ask questions such as, whose interests are being served and whose are negated by the position that the World Bank advocates?

Fairclough's (1989,1995) approach to CDA provides multiple points of analytical entry for researchers, it consists of three processes of analysis that are linked to three interrelated dimensions of discourse (Junk 1996:1). These dimensions are as follows:

- *The object of analysis" (such as verbal texts, visual texts, or both types of texts).*
- *The processes by means of which the object is produced and received by human subjects" (this includes writing/speaking/listening/viewing/ and reading).*
- *The socio-historical conditions which govern these processes.*

The author (Junk 1996:1) argues that, each of these dimensions requires different kinds of analysis:

- *Text analysis (description).*
- *Processing analysis (interpretation)*
- *Social analysis (explanation)*

3.5.2 Textual Analysis

The chosen method of discourse analysis for this research is textual analysis. Junks (1996) recognised textual analysis as one of the most powerful tools to critique language, especially if the researcher does not share the same beliefs as those that are evident in the text. He states that the researcher and reader "for whom dominant discourses are not naturalized, can assist those readers who do not share the text's codes to read against the grain" (Junks 1996:2).

Gee's (2011:9) account of DA, focus on language, which can be spoken or written. Within the written aspect of language, Gee (2011:9) stated that researchers can analyse the

"linguistic characteristics of language such as grammar, semantics, and how language structures function to make meaning in specific contexts". Fairclough (2003:21) also provides a classification of texts that can be analysed, he calls these 'levels of analyses, they are not limited to but they include the following "grammar, vocabulary, phonology, representations implied through texts, social structures, and practices built up through texts". Fairclough's (2003:9) approach to textual analysis is based on two assumptions, textual analysis as an analytical tool can enhance research if it is used alongside other methods of analysis.

Secondly, "there is an involvement of texts in meaning-making, the causal effects of texts, and the ideological effects of texts" (Fairclough 2003:9). Fairclough (2003:14) stated that in 'meaning making', the overall objective is to search and present the interpretations of texts and to see if these texts have hidden meanings. In order to assess the causal and ideological effects of texts, which Fairclough (2003:14) recognises as being the major concern for CDA, he recommends that in framing of "textual analysis within, for example, organisational analysis […] linking the 'micro' analysis of text to the 'macro' analysis of how power works across networks of practices and structures". Not only is Fairclough's (2003:9) interpretation of textual analysis flexible, as it can be used alongside other methods of analysis, it enables us to uncover ideologies which "contribute to establishing, maintaining and changing social relations of power, domination, and exploitation" (Fairclough's 2003:9). Micro and macro analysis of texts also take into account that social orders are influenced and shaped by power relations.

Through analysing *The World Development Report: Attacking Poverty*, this analysis seeks to ascertain whether or not ideological underpinnings can be found in the chosen text.

Fairclough's (2003) combination of 'micro' and 'macro' analysis of power relations and how they influence social orders is applicable in this research as it allows us to analyse power relations within the Bank and how it affect the Bank's ideological framework. Textual analysis therefore, compliments this thesis, not only does it allow for the use of other methods of analysis, it also enables us to uncover what is being communicated through the Bank's texts.

3.6 Methodological Reliability

A key aspect of textual analysis is that it allows the researcher to be selective over the questions they choose to ask and ignore the text under examination, and also allows the researcher to highlight key aspects of the chosen text that they deem to be important (Fairclough 2003:14). Issues of validity, objectivity, and reliability, will be taken into consideration. DA does not offer any measures by which researchers can overcome researcher subjectivity however, as stated earlier, this thesis seeks to provide an understanding of the Bank's ideological framework. It is not making any assumptions, claims, or predictions. The motivation for this research is therefore, to simply present if the observations made within the literature review are true or not. This, allows us to overcome researcher subjectivity.

3.7 Selection of Texts

The objectives of this study will be achieved through analysing one of the Bank's key documents; *The World Development Report: Attacking Poverty (2000-01).* The World Development Report (WDR 2000-01) has been chosen as it is a political document, its

message reflects the ideological preferences of the Bank. The WDR 2000-01s are therefore a platform through which the Bank announces its views, suggestions and thinking towards development. The core budget of the report ranges from US$3.5 to US$5 million, therefore emphasizing the importance of these reports to the Bank in its development agenda (Murphy 2008:60). This specific document - *The World Development Report: Attacking Poverty* - has been chosen as it is the most recent WDR 2000-01 that solely focuses on poverty alleviation. Poverty reduction is the core of the Bank's mission; it is also the focus of most debates within the development community. Written in 2000-01, its recommendations and poverty reductions goals were to be achieved by 2015.

A single document has been chosen for this analysis due to the fact that, multiple documents would not have been feasible for the purposes of this research. The selection of a single document also influenced the selection of textual analysis as a methodology as it is suited for the analysis of a single document. As a result of this, the finding of this research are subject to generalization. This research, however, attempts to overcome this limitation by employing literature review as part of the theoretical analysis.

Conclusion

This chapter has presented a theoretical and methodological framework which guides this research. It has presented a critical theoretical framework through which, the external and internal sources of influence will be analysed. This will enable us to uncover the hidden power relations within the Bank's ideological framework. Critical discourse analysis was discussed; this is the methodological framework through which the Bank's WDR 2000-01 will be analysed. The following chapter is the analysis of this thesis. Using the methodological approaches discussed in this chapter, chapter four will analyse the Bank's

position towards development and the positions it negates. It will also expose and uncover the power relations within the Bank and how they affect its development thinking. The role of the Bank in the international arena will also be analysed.

Chapter 4

The Analysis

4.1 The Analysis

The reviewed literature in chapter one and two suggests that the World Bank's development thinking is centered around an economistic approach to development, which is largely influenced by economic neo-liberalism. This chapter focuses on an analysis of the Bank's ideological framework with regards to its development and poverty reduction approach. Critical theory will be used to analyse its internal and external sources of power, and textual analysis will be used to analyse its key document, *The World Development Report: Attacking Poverty (2000-01).* Internal and external sources of influence, as well as the document will be analysed in light of the norms and ideologies that are presented and those that are left out. The purpose of this chapter is to answer the questions that have been presented in chapter 1.4; *What position has been adopted and advocated by the World Bank since the early 2000-present? How is this position maintained within the Bank?* The beginning on this chapter will start with an analysis of the Bank's role in the global arena as well as its internal and external sources of influence.

4.2 General Observations on the Internal and External Sources of Power

The literature presents overwhelming evidence that suggest that the Bank's thinking and it policies toward development are largely influenced by its internal and external sources of influence. The literature also presents evidence that suggest that the Bank, like any other institution does not operate in a vacuum; rather it is also largely influenced by other factore such as the results of its policies, the opinion of its recipient countries and the international society at large. From the literature review we can therefore conclude that internal and external sources of power have a bearing on development knowledge production in the Bank. Power relations within the Bank play a large role in the direction that the Bank takes and the policies it implements in recipient countries, this can be seen through wealthy countries such as the US. It is largely argued that the US and other G7 countries hold the majority of power within the Bank, this is mainly due to their financial strength and their voting quotas.

Until recently, the US has always maintained the power to appoint certain positions of power within the Bank, such as the Bank's President and the Chief Economist and Director who, the literature has argued, not only represent Anglo-American norms and values they are also in positions to influence the direction of the Bank's research, therefore it's thinking on development. The appoint of Jim Yong Kim, however, contradicts this conclusion, he has nothing in common with his predecessors. He is neither American, nor is he from an economic background. This step outside the Bank's norm therefore contracts the current theory presented in the literature, rather it can be argued that, his appoint can be seen as a step towards change; a step from the status quo.

From the literature one can also conclude that the Bank commands a great position of power in the global arena. This is due to a number of reasons, one of them being its financial strength. Through its financial strength, the Bank is able fund millions of dollars every year

towards its research output, a handful of IFI and NGOs can afford to allocate such a budget to research alone. As a result of this a lot of multilateral and bilateral donors depend on the Bank's research to make informed decisions. This has resulted in the Bank acquiring a hegemonic position in the development community and international society as large. Its development ideas easily normalized and universalized, they are readily accepted with or without its development assistance; therefore reflecting the level of its influence. The Bank has therefore acquired the title of the Knowledge Bank within the international society.

The following section is an analysis of the Bank's key text *The World Development Report: Attacking Poverty (2000-1).* As discussed in the previous chapter, discourse analysis will be used to analyse the positions and ideological framework being purported by the Bank and those that are ignored. 'Ignored' ideas and positions in this dissertation will be regarded as those that are not given much attention, or those that are not mentioned at all.

4.3 Discourse Analysis: "The World Development Report: Attacking Poverty"

The WDR 2000-01 is published by the World Bank annually, each year a theme is presented and published by the Bank and since the late 1990s poverty has been the Banks main focus. As stated previously the WDR 2000-01 is a highly political document as its contents reflect the ideological preference of the Bank towards development. It is a platform through which the Bank announces its views, ideas, positios and recommendations towards development knowledge and practice (Wade 2001). With a budget between US$3.5 to US$5 million, the WDR 2000-01 plays an important role in the development community, it has come to be viewed as a knowledge bank. Wade (2001:1440) stated that "the director of the WDR 2000-01 has one of the most important positions in the Bank; he is in charge of controlling the ideas that Bank presents to the rest of the world as he has the most important say on the

content that is generated in research that is published by the Bank. It is worth noting that the director is normally chosen by the chief economist with the approval of the president (Wade 2001:1440), both of whom were mainly appointed with strong influence from the US. As mentioned above, with the appointment of JimYong Kim, it can be argued that this tradition is highly likely to change, as the president is neither American or has a background in economics. The current president is a physician and anthropologist, who was appointed by the then US presidents, Barack Obama. One can argue that this shows that the Bank is slowing moving away from the old ridged traditions that ensured dominance of the US and economics.

4.3.1 Poverty

Poverty, as previously described is a complex phenomenon with numerous definitions and understandings that can change over time, and location. The World Bank (2017) described it as a situation those that are trapped in it want to escape from, it is a call for action. Action that will enable those that do not have enough to eat, adequate shelter, access to education and health, etc. to escape and have a better quality of life. The Bank's definition of poverty has also changes over time; from the SAP definition that defined poverty mainly in terms of income and proposes policies based on labor-intensive growth, human capital development (i.e. health and education), and safety-nets. To that of the PRSP that adopted a multi-dimensional definition of poverty, it had a better-balanced triptych: opportunity, empowerment, and security.

The WDR (2000-01) emphasised this multi-dimensional aspect of poverty. The report illustrated that poverty remains a global problem; over 1.2 billion people in the world were living on less than US$1.00 a day, and 2.8 billion were living on less than US$2.00 a day (WDR 2000-01 2001:3). Although there is a strong emphasis on poverty reduction through

economic growth, there is also considerable emphasis on principles that might aligned with more social aspects of poverty. There is considerable emphasis on redistribution, this was presented in an instrumental way, rather than as an end in itself. It was presented in a way of raising the poverty elasticity, and also because societies that are based on equality of all citizens grow faster than those which are riddled with inequalities.

Income; education; gender disparities; infant mortality; maternal mortality; universal access to reproductive health services; and sustainable development, were also given much attention in the report (WDR 2000-01 2001:6). Poverty was presented in a multidimensional way which encompassed all aspects of society. The definition of poverty was therefore broadened to include these aspects. In line with the broad definition of poverty and the complexity of development, the Bank also realised that in order to achieve its goal of poverty reduction and development, its strategies towards poverty had to also evolve. The WDR (2000-01) therefore emphasised these three strategies in order to combat poverty alleviation; promoting opportunity; facilitating empowerment; and enhancing security for the poor in the developing world (WDR 2000-01 2001:7). These three strategies were recognised as the key to promote economic growth, combat poverty and development in developing countries.

Despite its presentation of a multidimensional definition of poverty, an observation can be made from the Bank's conceptualization of poverty. As stated above, the Bank measures poverty in terms of the percentage of people living under US$2.00 per day. As the Bank is dominated by economists, monetary indicators play a large role in the Bank, this is evidence through poverty reduction and development goals being typically presented in numerical form. It can be argued that this has resulted in the general understanding of poverty in the Bank in terms of income poverty reduction, which as evidenced is measured through monetary indications. The preference of monetary indicators in the Bank is widely recognised

in the literature as writers like Weaver (2007:494) have stated that the Bank is characterised by an "economistic, a political and technical rationality". This analysis does, however, recognise the importance the Bank has placed on other aspects of life that can be used as indicators of poverty. One can, however, conclude that other aspects of poverty are regarded as secondary indicators in the report, placing a huge emphasis on monetary indicators.

The following section outlines the Bank's strategy towards poverty reduction and development.

4.4 Promoting Opportunity

The first strategy presented by the report for poverty reduction was promoting opportunity for the poor, which in its general sense refers to growth. This strategy has two main categories, "making markets work better for poor people", and "expanding poor people's assets and tackling inequalities" (WDR 2000-01 2001:8).

The first category of promoting opportunity, 'making markets work better for poor people' is a market-oriented strategy towards poverty. The report acknowledge that these market based reforms affect people in different ways, however, in order to combat inequalities and bring about the desired equality and development the following strategies need to be implemented in recipient countries. *Encouraging effective investment* through investment and technological innovations, these were recognised by the report as some of the important principles to economic growth and job creation. Encouraging private investment therefore, requires the reduction of risk in order to assure and attract private investors, this will be achieved through "stable fiscal and monetary policy, stable investment regimes, and sound financial systems" (WDR 2000-01 2001:24). Private investment according to the WRD (2000-01) will therefore foster growth through employment, which will in turn attract other

potential investors. It will also be complemented by *public investment*, this will not only create competition in the market, it will also create new market opportunities, which will inevitably result in more job creation, therefore creating more opportunities for people.. Expanding into *international markets* through international trade also offers a huge opportunity for jobs and income growth. The WRD (2000-01) therefore describes opportunity through the market as a strategy that will have a positive domino effect.

Expanding poor people's assets and tackling inequalities is another category of opportunity that the report states. The report states that this strategy is to be implemented through the state. The State therefore, has the responsibility of ensuring good quality service delivery through institutional action and redistributing resources, especially education, healthcare – nutrition programmes, mother and child health programmes, vaccinations and other health interventions – and infrastructure (WDR 2000-01 2001:24). This strategy goes against the old principles that were sent out in the SAP as it presents a more human faced developmental strategy, it also proposes to work with the state, rather than relegating it to the peripheral.

Although this strategy points out some holistic and much needed adjustment to poverty reduction and development, predictably, a commitment to markets and to openness is presented. Poverty reduction and development as previously presented in the SAP is to be achieved through the dominance of economic growth and trade liberalisation, which is presented through the expansion into international markets; pushing firms into the global market, opening up to international investment, reducing trade restrictions through the lowering of transaction costs of reaching export markets, etc. It is therefore, evident that the same market principles that are presented in the report are the same as those presented in SAP, the only difference being, those presented in the report are presented in such a way that they put the poor first. The same principles are attached to a holistic view of poverty and

development. Neo-liberalism is concerned with making trade between countries easier, it therefore, promotes the "freer movements of goods, resources and enterprises in a bid to always find cheaper recourses, to maximize profits and efficiency" (Shah 2010). Expanding into the international market as a way to tackle poverty reduction that is advocated by the report essentially promotes the neo-liberal principle of trade liberalisation. Competition and reducing restrictions to the market are also some of the key tenets of economic neo-liberalism. In line with pro-poor economic liberalism, the report also recognises the role of the state in providing basic services such as education, healthcare and infrastructure, but it allocates poverty reduction and development to the market, essentially poverty reduction is to be achieved through free-market, free trade and open competition. This, the report states will open up opportunities for poor people.

Cammack (2004:193) argued that, although the recent strategies to poverty reduction and development that have been promoted by the Bank are said to be 'pro-poor', and represent a move away from the strict neo-liberal policies of SAPs of the past, the methodologies that the Bank proposes are still in line with the same neo-liberal principles that were advocated during the SAP era. SAPs were advocated as the best strategy to economic growth and the key to poverty alleviation and development. Similarly, the report promotes economic growth and other principles of neo-liberalism. Weaver (2007:501) argued that "the World Bank's anti-poverty programmes, are far from being a shift away from the neo-liberal" principles that were advocated in the structural adjustment era, rather they are a "means to completing it". He goes on to say, "it envisages a global proletariat, on a wage of $2.00 a day, with a reserve army of labour acting as disciplinary forces" (Weaver 2007:501). From this strategy we can therefore, conclude that, despite the Bank presenting a holistic approach to poverty and how poverty is measured, it failed to move away from the neo-liberal thinking towards development that guided it SAP. Rather than presenting new ways to tackle the

multidimensional poverty they described, the Bank still proposed the same polices that were heavily criticised during the 1990s.

4.5 Empowerment

Empowerment is another strategy to poverty alleviation and development that was advocated by the report. Essentially, empowerment is about making state institutions responsive to poor people and about building social capital, it addresses the powerlessness and the vulnerabilities that poor people suffer. Powerlessness is inseparable from the "voices of the people" (WDR 2000-1). Empowerment is also regarded as giving a voice to the powerless; it is an adoption of a multi-dimensional model of poverty. Similar to access to health and education, vulnerability and shocks, voicelessness and powerlessness is presented as an important part of poverty alleviation. Empowerment as a major theme, not just participation in the general sense, but a focus on making state institutions responsive to poor people and on building social institutions.

The report therefore, calls for an improvement of the state and social institutions in order to make them more responsive to the needs of the poor, therefore tackling poverty in a bottom approach fashion. This includes removal of social barriers, building social institutions, changing laws and to decentralize services and programmes so that they are closer to the users (WDR 2000-01 2001:10). According to the report, the reform of institutions will inevitably lead to both economic growth and poverty reduction.

This aspect of the report's strategies to development is a departure from the strict neo-liberal principles that were previously attached to the SAP. Rather this strategy focuses on a bottom up approach to poverty reduction. It takes into account the voice of recipient countries; it

allows them to take charge of their own development. Through empowerment, development is not pushed on recipient countries, rather developing countries are in charge of their own development. Despite this drastic difference, critics like Cammack (2004:128) still argue that the new strategies to poverty reduction and development that are purported by the Bank are merely "window dressing of neo-liberalism". The Bank's policies and thinking towards development is still heavily entrenched in the WC and PWC are still viewed "under the title of neo-liberalism" (Cammack 2004:128). There is nothing new, or different about them.

4.6 Security

The third pillar of the report's strategies to poverty reduction is 'security'. Security in the report is regarded as managing risk and reducing vulnerabilities. This strategy is also comprehensive and a strong departure from the guiding principles of the SAP; vulnerabilities are understood in terms of economic insecurity, civil conflict and chronic diseases such as HIV/AIDS. Essentially, security encompasses, helping the poor manage vulnerabilities and risks such as; managing economic crises and national disasters. Being poor is therefore understood as, not being able to prepare or prevent tragedies. The recommendations from the report with regards to the prevention of insecurities are to implement safety net programmes; these will allow poor people to progressively move out of the poverty cycle even when disaster take place. Safety nets therefore, reduces shocks, without safety nets poor people will continue being in a state of poverty. The majority if any will not be able to escape out of the poverty cycle, which is escalate by crises and disasters.

From this approach one can observe that the Bank has made an effort to include other aspects of poverty into their analysis of poverty and how they can combat it. The Bank included other

aspects such as vulnerabilities through health e.g. HIV & AIDS, safety nets, contracts with the neo-liberal principles of lazier fair and non-intervention. Poverty is therefore, understood in terms of failing to protect oneself from other vulnerabilities that are not related to income or the economy.

The main purpose of this dissertation was to uncover whether the Bank's development thinking followed the discourse of neo-liberalism and neglected other disciplines that were not related to economics. It also focused on the dimensions of poverty and development, and how to create a better world. It explores that nature and evolution of poverty through SAP and PRSP. The report that was analysed, WDR (2000-01) states out the strategies that the Bank has taken to end extreme poverty and achieve development. It presented an opportunity to expand people's assets; the report argued that major reductions in human deprivation are indeed possible, that economic growth, inequality, and poverty reduction, can be harnessed through economic integration, and technological change, dependent not only on the evolvement of markets, but the choices for public action at the global, national, and local levels.

Empowerment was one of the strategies presented that moved away from the general understanding of neo-liberalism. Through empowerment, action to combat poverty included state institutional responsiveness in building social institutions which will improve well-being, and health, to allow increased income-earning potential, access to education, and eventual removal of social barriers.

Security in general was also a move from our traditional understand of the Bank's poverty reduction and development policies. The report stated that through security, aspects are

enhanced, by assessing risk management towards reducing vulnerabilities to economic crises, and natural disasters. The report expands on the dimension of human deprivation, to include powerlessness ad voicelessness, vulnerability and fear. International dimensions are explored, through global actions to fight poverty, analysing global trade, capital flow, and how to reform development assistance to forge change in the livelihoods of the poor.

4.7 Main Observations

The literature review that guided this thesis suggested that the World Bank's ideological framework was based on a neo-liberal discourse. From the literature one can observe that the SAPs that used to guide the Bank's development thinking in the early 1990s has continued to shape some of the Bank's strategies towards poverty reduction since 2000 to the present. For instance, although its definition of poverty now encompasses as aspect of human life, the WDR (2000-01) report still heavily relies of economic liberal principles as a method to poverty reduction and development. Authors like Cammack (2004); Wade (2002,2006); Broads (2008); Storey (2008); Weaver (2006) etc. have argued that despite the move from SAPs to more comprehensive strategies like PRSP, the Bank continues to advocate neo-liberal principles as the best way to tackle poverty and development. It emphasizes economic growth, trade liberalisation, competition, etc. as necessary steps towards achieving poverty reduction and development. The Bank, therefore, has been and still occupies a central position in the maintenance and dissemination of neo-liberal development principles. One would however argue that, although the Bank heavily relies on economic liberalism, so aspects of the Bank's policies towards development have changed; they now include aspects of poverty that affect the everyday lives of poor people, e.g. health, education, vulnerabilities etc.

A significant observation can be made from the internal and external sources of influence. The unequal voting structures of the Bank still contribute to unequal power relations within the Bank. The lack of representation allows dominate countries like the US to have significant influence within the Bank. As stated previously, wealthy donors in the Bank have 54.47% of the voting share, with 17.38% of the voting shares belonging to the US (World Bank 2017d). Inequality in the voting shares and the economic strength of wealthy countries enables them to have greater influence in decision-making processes, compared to those countries that contribute less capital to the Bank. Ultimately, the ideas and views of development that are presented by the Bank are largely influenced by wealthy countries. The views of poorer countries are highly likely not to be taken into consideration as their voice does not weigh much. From this, we can conclude that the governance and voting shares within the Bank are a mechanism through which ideas towards development can be transmitted and maintained, therefore leaving little room for change or hearing and implementing alternative voice in the Bank.

The Bank's intellectual and bureaucratic culture has also played a large role in the maintenance of neo-liberalism. It can be argued that the Bank maintains the neo-liberal paradigm through; the hiring of staff that are conversant with economics and the economic neo-liberal ideology; promoting staff based on their acceptance of the prevailing order in their research and discouraging public dissent (Broads 2008). Consequently, this has resulted in the dominance of economics and economists in the Bank. Those from other disciplines such as the social science and humanities are only but a handful, resulting in limited alternative views to development. From the literature review, we have observed that, if research is not economic friendly it is highly likely to be ignored, or not taken seriously

(Broad 2008). This according to Rao and Woolcock (2007) has resulted in economic imperialism in the Bank. The DEC, as stated in chapter 2, is the leading boy of the Bank's research output. It is therefore the main institution that maintains the Bank's ideology, "as its research has influenced world opinions and shaped policy priorities" (Dethier 2005:3). Despite this general consensus in the literature, one can argue that despite the dominance of economics and economists in the Bank, alternative views can be seen through the Bank's holistic approach towards tackling poverty, this can be seen through strategies such as empowerment and security, which are presented in the report. Another argument that can be brought forward is despite the over representation and dominance of the US and other wealthy countries, the current president of the Bank is not from the traditional presidential background of his predecessors, rather, this shows that the Bank is not set in the rigidity of the norms and values that used to guide the Bank during the 1990s.

From the discourse analysis on the WDR 2000-01 Attacking Poverty, we can conclude that the Bank advocates a neo-liberal framework towards poverty and development, but it also includes social aspects of poverty and development into its strategies. This indicates a slight move from the strategies of the SAP. The report has evidenced strategies that align with neo-liberal economic principles, such as, trade liberalisation, international trade through trade liberalisation, job creation through the market, making the market work for poor people, removing barrier to the market, opening up economies to free international movements of goods etc. It is therefore obvious that the Bank still operats within the confines of neo-liberalism, however it now views poverty in a multidimensional way and provides strategies that enable poverty to be tackled in non-economic methods, e.g. tackling poberty through giving the voice to the voice less through empowerment.

The way the Bank perceives and pursues development is of great importance, as the Bank is viewed as an intellectual leader in development. Its ideas and views on development are normalized and universalized. Through its financial power and its extensive research output, the Bank dominates the global arena. It informs other bilateral and multilateral aid agencies what the narrative on development is. Its ideas are readily accepted and implemented due to the image it has created for its self; an autonomous institution whose research is carried out by experts in development. One can argue that, the Bank is far from this reality, although the Bank does not bend to each of the US's commands, we can argue that the Bank is beholden to the interest of its wealthy donors, specifically the US. Cammack (2004) went as further as stating that, the Bank is a tool through which the US can exert its foreign policy and its economic principles.

4.12 Conclusion of the Study

This dissertation has set out to critically analyse the World Bank's ideological framework with regards to its poverty alleviation and development mission. From the analysis of the WDR (2000-01) we have observed that the Bank maintains a neo-liberal ideology towards development. This paradigm is maintained and transmitted through the Bank's internal and external sources of influence, for instance through its DEC, the Bank has influenced the world opinions on development and shaped development policy in every single one of the Third World countries. How the Bank pursues development is of great importance, as its role in the global arena as an intellectual leader allows it to shape and influence development knowledge. Its ideas are normalized and universalized and adopted by bilateral and multilateral donors alike. This dissertation has also argued that understanding the power structures in the Bank and within the global arena is of great importance, as the Bank forms

the infrastructural power of wealthy countries, after all, it is a Bank. It is therefore an IFI that is beholden to the interest of a few actors.

This study has contributed to the existing literature that seeks to uncover the power structures within IFI and the global arena. This thesis analysed the Bank's ideological framework though discourse analysis of the Bank's WRD Attacking Poverty (2000-01). This document provided an indication of the Bank's ideology with regards to its poverty reduction and development goals. This analysis concluded that although the Bank has presented more pro-poor strategies to development, it still advocates neo-liberal principles towards development. Although these principles are not as strict as those presented in SAPs, its new approach is nevertheless an extension to its old neo-liberal ideology. This thesis has shown that a critical analysis of the Bank's views towards development is of great importance, as its hegemonic position in the global arena affords it the power to influence development thinking and practice globally.

4.13 Recommendations

This thesis has achieved all its intended objectives. Future research can include recent WDR 2000-01. It will also be recommended that more than two documents should be analysed as this will allow the researcher's findings not to be generalizations. It will also allow for contrasting and comparing, to see if the Bank changes its position in different documents.

4.14 Limitations

This research encountered one limitation, which was the selection of a single document. This resulted in the finding in this research to be generalisations, as an organisation like the Bank cannot be judged based on one document.

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