

**University of Alberta**

**The World Bank and the Knowledge for Development (K4D)  
Initiative: A Post-Structuralist Investigation of the World Bank's  
Attempts to Govern Global Development Knowledge**

by

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A thesis submitted to the Faculty of Graduate Studies and Research  
in partial fulfillment of the requirements for the degree of

Master of Arts

Department of Political Science

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Spring 2011

Edmonton, Alberta

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## **Abstract**

In 1999, the World Bank launched the K4D initiative as part of its new development agenda. The Bank also established itself as the global development knowledge bank suggesting that these moves would yield more pro-poor development results. This thesis examines the Bank's knowledge ventures and contends that they are part of the apparatus of advancing the Bank's neoliberal agenda. The governmentality approach is used to argue that the knowledge ventures are a move away from the direct and interventionist mechanisms of control prominent in the earlier development agenda, but at the same time, representative of new, more subtle and indirect mechanisms of control. Furthermore, a close investigation of the literature published in connection to the knowledge ventures and the practical projects created as part of these ventures, reveals that neoliberal policies traditionally promoted by the Bank feature prominently in the propaganda surrounding the Bank's knowledge ventures.

## **Acknowledgement**

This thesis would not have been possible without the help and support of many individuals. I would like to thank my supervisor, Dr. Rob Aitken, for his continuous support, encouragement and patience during these three long years. Thank you for listening to my strange ideas and constantly shifting arguments and helping me make sense of everything that crossed my mind. I am also indebted to you for encouraging me to think in new and unusual directions and for continuously reinforcing my faith in my critical thinking abilities. I would also like to thank my co-supervisor, Dr. Greg Anderson, for his valuable insights and for constantly challenging my thoughts and assumptions. They have immensely helped me to produce better quality work. A special thanks goes to Dr. Sandra Rein, who took the laborious effort to go through each word and each line of my thesis to provide extremely detail and helpful comments. The years I spent at the Department of Political Science at University of Alberta were some of the most challenging years for me personally and professionally. I thank Dr. Lois Harder for her advices and support and above all for being understanding during this time. In the same spirit, I would like to thank Dr. Yasmeen Abu-Laban who has helped me navigate through many difficult personal situations and helped restore my self-confidence during troubling times.

This thesis would never have been actualized without the help of the wonderful people I am always surrounded by in my personal life. I would like to thank my parents for their faith in my abilities, for encouraging me to think and act freely and for accepting the many unconventional choices I have made in my life. They have been a constant source of inspiration, love and support. The person who probably has borne the maximum brunt of this thesis is my partner Anindya Ghosh. I know that I can never thank you enough for your patience and for the many sacrifices you have made to ensure I can continue my work unhindered. I cannot thank you enough for taking the time to read through the many monotonous drafts of this thesis, for listening to my crazy ideas and for helping me articulate them more clearly. I would be so lost without you.

I am also grateful to Erin Black for offering me her friendship. As someone in the same boat, she is probably the only one who understood my dilemmas. I thank her for being by my side at such a crucial time. I would like to express my gratitude to Bijoyendra Bera for being there whenever needed and for taking care of some essential logistics during my physical absence from Edmonton. I would also like to thank Chandni Basu, Sudeshna Bhattacharya, Arghya Basu and Paramita Chaudhuri Basu, some of my closest friends, for listening to me when I needed to vent and for offering me a shoulder when I needed to cry. Thank you for giving me the strength to get through this tedious and long journey.

I dedicate this thesis to Anindya and to my country, India.

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## Chapter 1: Introduction

The World Bank (or the Bank) has been at the forefront of international development<sup>1</sup> for more than six decades now (since its inception in 1944). During this time, it has been involved in designing and implementing various development programs and initiatives (for developing countries<sup>2</sup>) along with its sister concern the International Monetary Fund (IMF or the Fund) as well as with other multilateral international institutions such as the United Nations (UN) agencies (such as the Millennium Development Goals or MDGs). One such initiative was the launch of the Comprehensive Development Framework (CDF) by the World Bank and the IMF in 1996 (Wolfensohn and Fisher 2000). The CDF was launched as an alternative to the previously existing development agenda<sup>3</sup>, which promoted macroeconomic stability programs popularly known as Structural Adjustment Programs<sup>4</sup> (SAPs). Discontent over the ability of SAPs to fuel

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<sup>1</sup> This thesis adopts a dual definition of “development”. It believes that development is both a practical project and an idea. First (from a practical perspective), development is understood as “making a better life for everyone” (Peet and Hartwick 2009, 1). In this sense, the minimum and basic requirements for human survival should include safe and sustainable access to food, water, housing, and healthcare. Second (i.e. development as an idea), it draws from Sen’s (1999) definition of development as “the process of expanding human freedoms” (Ibid., 36) and believes that a broader understanding of development has to account for considerations of how such freedoms (social, political, economic, cultural, religious and so forth) can be available / made available to individuals. The means of achieving this development (as explained here) could widely vary as would be evident from the existence of diverse ideological and practical perspectives in the contemporary discourse surrounding development. This thesis recognizes the importance of “means” but it is also equally concerned with the “end” that this means achieve. In this regard, the thesis is of the opinion that the “end” must constitute fair share of economic, political, human, social, cultural developments and so forth. Any one alone is not sufficient and only when a fair balance between these various kinds of development is established, can true “development” be achieved.

<sup>2</sup> In this thesis, I use the terms “developing country”, “under-developed country”, “poor country”, “Third world country”, “ low-income country”, “countries of global South” synonymously and interchangeably. Similarly, when referring to “developing regions”, terms such as “under-developed regions”, “Global South”, “Third World” will be used interchangeably.

<sup>3</sup> This term is used to refer to the various development philosophies that may have influenced intellectual discourses from time to time, which in turn have had an impact on the design and administration of development programs and projects in the Global South. For e.g., following the 1980s Debt Crisis, the development agenda was much influenced by the launch of the Washington Consensus which resulted in the design of the first generation macroeconomic stability programs such as Structural Adjustment Programs (SAPs) (Williamson 2005). Discontent over the extent of success achieved by SAPs (Beckman 1992, Helleiner 1992, Carmody 1998, Mkwandire and Soludo 1999, Chang 2001) led to the adoption of the alternative development agenda called the CDF.

<sup>4</sup> SAPs were installed by the World Bank and IMF during late 1980s following the International Debt Crisis. They came to be known as the first generation of macroeconomic stability programs. Following the Debt Crisis, developing countries were forced to borrow huge loans from the Bank and the Fund to keep their economy afloat and to be able to repay their international debts (to large private corporations from

economic development in developing countries (Beckman 1992, Helleiner 1992, Carmody 1998, Mkwandire and Soludo 1999, Chang 2001) resulted in the shift to the alternative development agenda (Wolfensohn and Fisher 2000).

The CDF comprised of two main initiatives: first, the Poverty Reduction Strategy Papers (PRSPs), a new generation<sup>5</sup> of macroeconomic stability programs; and second, a *Knowledge for Development* (K4D) initiative. The main objective of the K4D initiative was to establish a “knowledge management system” that would facilitate knowledge<sup>6</sup> sharing within the Bank, between the Bank and its stakeholders<sup>7</sup>, and among the stakeholders (World Bank 2010c). The fundamental assumption underlying the creation of the K4D initiative was that development knowledge “is a global public good that belongs to everyone, and from which everyone should benefit” (World Bank OED 2003, 1). The expected impact of the K4D initiative was two fold. First, this would help the Bank offer better quality service to its clients and increase the overall efficiency of its operations in developing countries. Second, improvements in development administration and better cooperation between development practitioners and local agencies (in developing countries) would help developing countries to meet their development goals (World Bank 1998/99). Incidentally, around the same time, the Bank also publicly announced its intention to establish itself as a single touch point facility for coordination and management of global development knowledge (Wilks 2002, Wade 2002). In other words, the Bank became a global development knowledge bank (or simply knowledge bank).

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where they had borrowed). The loan packages were designed to include certain conditions that developing countries needed to meet. The Bank and the Fund claimed that these conditions would help stabilize developing country economies and required the later to reform domestic policies, which were believed to have given, rise to the financial crisis on the first place (Carrasco 1998). The four primary elements of SAPs were: “the mobilization of domestic resources, policy reforms to increase economic efficiency, the generation of foreign exchange revenue from non-traditional sources through diversification, as well as through increased exports of traditional commodities; ... [further] reducing the active economic role of the state and enduring that this is non-inflationary” (Simon 2008, 87).

<sup>5</sup> Sometimes also referred to as the second-generation macroeconomic stability programs.

<sup>6</sup> Development knowledge is a complex idea and therefore has no absolute definition. For this thesis, development knowledge includes all relevant body of theoretical and practical information, expertise and skills required to actualize development (as defined earlier in this chapter).

<sup>7</sup> Stakeholders refer to all those engaged (who contribute to and / or gain from) in the Bank’s activities. This includes developing countries as clients, global and local civil society organizations, private partners, research institutes and think tanks and other organizations and institutions such as bilateral and multilateral aid agencies.



In six decades of the Bank's existence, development research and knowledge generation has been one of the Bank's important roles but never as core an objective as lending and development practice (development planning and project design). However, the failure of the Bank's flagship development program, the Structural Adjustment Programs (SAPs) – the first generation macroeconomic stability programs - during the 1980s and early 1990s caused a worldwide outcry for reform (Bello 2000, George 1999). CDF was, in fact, a response to this demand. As part of this reform, the PRSPs and the K4D initiative were created to achieve a number of objectives missing in SAPs. The Bank argued that the K4D initiative would help capture local knowledge for better development planning and also provide a collaborative environment between all members of the development community, thus leading to an overall better development planning and program design (World Bank 1998/99, 1-2). As part of a systemic approach to targeted poverty reduction (a new feature in the CDF and missing in the previous development agenda)<sup>8</sup> and enhanced development administration, the K4D initiative was also designed to help developing countries embrace the global information communication and technology (ICT) revolution, integrate information technology in various sectors (such as education, health, public distribution of goods and services, agriculture, industrialization, infrastructure development and so forth) and engage in capacity building activities in these diverse sectors (World Bank 1998/99).

As one of the two primary initiatives launched as part of the CDF, the Bank's knowledge ventures (the combined events of the creation of K4D initiative and the Bank's transformation to a knowledge bank) have come to occupy a central position in the Bank's day-to-day activities (Pommier n.d., Pommier 2004). Creating a knowledge strategy would obviously seem more appropriate given the Bank's decades-spanning role in development research (World Bank 1998/99, Wolfensohn 2005) and the opportunities presented by the current ICT revolution. In this sense, the Bank's transformation to a knowledge bank would seem quite sensible. So far, the Bank's K4D initiative (its suggested functions and purpose of creation) and the Bank's transformation to a knowledge bank seem quite rational. Added to this, the Bank also asserted that its knowledge ventures would adopt an inclusive approach. As part of this inclusive approach, the Bank would put the last (i.e. the local) first, delegate more power to the state (i.e. a

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<sup>8</sup> See Rodrik, Dani. "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's Economic Growth in the 1990s: Learning from a Decade of Reform." *Journal of Economic Literature* XLIV (December 2006): 973-987.

developing country) and individual non-state actors for capacity building and facilitation of local knowledge flow, and take a step back and maintain a role of passive facilitation rather than active intervention<sup>9</sup> (Wolfensohn and Fisher 2000, Wolfensohn 2005). This marks an important shift from the Bank's earlier ways of conducting business that involved more intervention (sometimes direct) in the politics of developing countries. Some also suggest that this meant the Bank had recognized the fallacies in the earlier development agenda and launched a new, more improved framework that offered developing countries a greater role in shaping and coordinating their own development trajectory (Gilbert, Powell and Vines 1999, Einhorn 2001, Rich 2002, Pincus and Winters 2002, Kapur 2002).

Given the Bank's historical legacy and ways of operating, do the knowledge ventures suggest an actual shift in development thinking on the Bank's part? No, they do not. This assertion is based on certain assumptions, which will be clarified a little later in this chapter, however, at this point I will begin by clarifying my central argument. **This thesis contends that the Bank's knowledge ventures are not as benign<sup>10</sup> as they seem. The new knowledge bank role and the knowledge management and sharing activities have been created by the Bank to indicate that there has been a shift<sup>11</sup> in the way the Bank functions, a change in its institutional culture and its attitude toward development (i.e. being more open to suggestions of stakeholders from developing countries). However, I argue that the knowledge ventures (especially the policies the Bank suggests developing countries should adopt as part of this initiative) do not constitute a substantial shift from the policies that were integral to the earlier development agenda. The reform that the Bank claims it has undergone may not be so simple and straightforward. Rather, the Bank may have created newer and alternative mechanisms (that are not so direct and interventionist like before,**

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<sup>9</sup> The inclusive approach adopted as part of the CDF is also extended here to the K4D initiative. Many of Wolfensohn's (2005) speeches are also evident to this as is the WDR 1998/99, which suggest a greater role for developing country governments and civil society organizations in actualizing the K4D initiative and integrating it with day-to-day development practice.

<sup>10</sup> As I have explained in the previous paragraph, the Bank claims that its knowledge ventures will have many benefits for developing countries and make development administration more effective. In suggesting so, this initiative is put forward as harmless and genuinely influenced by good intentions. This is why I use the term benign to refer to the K4D initiative.

<sup>11</sup> The initial World Bank mission statement did not include any references to 'knowledge sharing'. This term was included in 2000 and the mission statement was revised accordingly (Brown, et al. 2005, 100,105). It would be safe to assume that a shift in mission statement indicates an official shift in the organization's objectives and roles. At the same time, it also indicates the growing importance of the newly added concept (in this case knowledge sharing).

**rather more subtle and indirect) that allow it to sustain its prior status-quo (i.e. continue to be the dominant actor in its relationship with Global South<sup>12</sup>) only to advance its agenda of creating a global neoliberal order.** This is why the Bank's knowledge ventures can hardly be dismissed as benign and need to be more closely examined.

Two key assumptions form the foundation of the above arguments. First, as an institution the World Bank's activities exhibit a strong subscription to neoliberal<sup>13</sup> ideological beliefs and this is evident in the design of the earlier and present development agendas as well as in the policy prescriptions generated by these two development agendas (George 1999, Bello 2000, Fine 2003, Goldman 2005, Harvey 2005, Williamson 2005, Woods 2006, Chang 2008). The failure of the policies advocated by the earlier development agenda (i.e. SAPs) (Carmody 1998, Mkwandire and Soludo 1999, Chang 2001) brought into effect the CDF, which hardly provided any evidence of alternative policy suggestions. This is especially the case for the K4D initiative (as would be shown in this thesis). In fact, many of the policy prescriptions evident in the earlier development agenda have resurfaced in the CDF and the K4D initiative, creating further concerns about the Bank's knowledge ventures (Mehta 2001, Bank Information Center 2010, Bretton Woods Project 2009, Dharmadhikary 2010).

The second core assumption is related to the contradiction that is created by the Bank (a development research institute in itself with its in-house knowledge generation capacity) in becoming a facilitator of knowledge management and sharing on a global scale (the role of facilitator being ideally an impartial and neutral one<sup>14</sup>) (Mehta 2001, Goldman 2005, Wade 2002, Wilks 2001). Further, as a research institution that subscribes to a particular ideological

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<sup>12</sup> The author is aware that the Bank's relationships with different developing countries cannot all be clubbed into one category. Each had its own dynamics. At the same time, it is difficult to ignore that in most of these relationships, the Bank played a dominant role and hence the use of the collective term "Global South".

<sup>13</sup> This term would be explained more thoroughly a little later in this chapter.

<sup>14</sup> The *Oxford Dictionary* definition of facilitator is one who makes an action / process easy. However, when the term is used in the context of 'facilitating' a group discussion or the actions of more than one, it assumes a certain neutral connotation. The facilitator only facilitates the process for participants but does not actively participate in the discussion. From this perspective, I associate a similar connotation to the Bank's facilitator role. However, it is safe to assume that the role of the facilitator may not remain passive if the facilitator is an expert on the topic of discussion. In similar lines, for the Bank, it may be difficult to play the role of a passive facilitator of development knowledge given that the Bank itself is considered an expert on this topic (as a research institute in itself).

philosophy<sup>15</sup> (neoliberalism in this case), the contradiction in the Bank's new role grows even more complex (Toye and Toye 2005, Deaton, et al. 2006, Dharmadhikary 2010). One could argue that the knowledge ventures are convenient, albeit seemingly harmless strategies of mobilizing a particular kind of knowledge that help advance the Bank's neoliberal agenda. This is the other important concern about the Bank's knowledge ventures.

The purpose of the above discussion was to provide a preliminary understanding of this thesis. Going forward, this chapter will introduce key dimensions of the project that briefly clarify the assumptions, articulate the central arguments more clearly and suggest the theoretical framework for this thesis. I start out by providing a brief description of the objectives of the Bank's knowledge ventures. I, then, offer a definition of neoliberalism and discuss what I mean by the Bank's neoliberal agenda and how I presume this neoliberal agenda is reflected in the K4D initiative. Next, I provide a brief overview of the conceptualization of the thesis that outlines the research questions for this thesis. This is followed by a discussion of the theoretical approach adopted for this thesis. To situate the research issue and outline the scope and contribution of this thesis, a literature review is presented. This review studies the various perspectives on the Bank's reform project, the transformation the Bank has undergone since mid 1990s and what this means for the politics of development. Next, I provide a narrative of the methodology for this thesis, including method of investigation and the primary sources examined. This chapter concludes by providing a brief overview of the remaining chapters of the thesis.

## **1.1 An Overview of the K4D Initiative**

The K4D initiative constitutes of two key concepts: knowledge sharing and knowledge management. The Bank's official website provides a description and objectives of each of these concepts (World Bank 2010c, World Bank 2010d).

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<sup>15</sup> My purpose is not to suggest that this is a negative thing especially since all researchers and research agencies have their particular beliefs and ideologies and their work is bound to reflect those beliefs. Nonetheless, this raises concerns over that particular researcher's or research institution's ability to be open to other perspectives and opinions.

The World Bank's mission statement is: "to fight poverty with passion and professionalism for lasting results. To help the people help themselves and their environment by providing resources, sharing knowledge, building capacity and forging partnerships in the public and private sectors" (World Bank, 2010). "Knowledge sharing" features as an integral component of the Bank's overall fight against global poverty. The K4D initiative was the Bank's answer to creating a global (development) knowledge strategy that can help facilitate global exchange and sharing of development knowledge within the development community<sup>16</sup> to effectively fight global poverty. This knowledge could originate from the World Bank or "other organizations". The Bank claimed that "sharing knowledge enables the World Bank to respond faster to client needs, deliver a quality product, encourage innovation, and continually introduce new services to its clients"<sup>17</sup> (World Bank 2010d).

The knowledge sharing program is hosted by the World Bank Institute (WBI) and caters to the needs of the Bank's staff, clients, and partners in "capturing and organizing systematically their wealth of knowledge and experiences; making this knowledge easily available to a wide audience both internally and externally; and creating linkages between individuals and groups working to **address similar development challenges**" (World Bank 2010d)(emphasis added). The knowledge sharing program was rolled out in collaboration between the WBI and the Regional and Network departments of the World Bank. The Bank further clarifies that the knowledge sharing program 'promotes and helps **mainstream knowledge sharing and learning** as a collaborative, multidirectional, continuous, and active process" (World Bank 2010d) (emphasis added). The Bank's website also states that "its [knowledge sharing program's] role is to help operationalize the concept, first articulated by James Wolfensohn in 1996, of the Knowledge Bank" (World Bank 2010d). The three key priorities of the knowledge sharing program are: "speed", "quality", and "innovation". The Bank defines "speed" as "responding

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<sup>16</sup> Development community is a term that is used in this thesis to refer to the various state and non-state actors that play important roles in the politics of international development. These include developed and developing states, multilateral institutions, bilateral institutions and aid agencies, global and local civil society organizations, private partners, media, research institutes, think tanks, and academic institutions. More specifically, three main types of role-players are envisioned in a development community, they are: researchers, policy makers and development practitioners (which may or may not include the previous two).

<sup>17</sup> In discussing the knowledge sharing and the knowledge management programs, I have intentionally used quotations from the Bank's website and avoided paraphrasing. This will help the readers gain an understanding of the concepts as put forward by the Bank and also ensure that the descriptions are aligned as closely as possible with that of the World Bank's.

faster to client needs”; “quality” as “delivering to clients the experiences of development experts and practitioners all over the world, and adapting them to local conditions”; and “innovation” as “not only improving our [i.e. the Bank’s] current work, but also introducing new products and services, and testing innovative ideas” (World Bank 2010d).

In defining knowledge management<sup>18</sup>, the World Bank has adopted the definition proposed by the American Productivity and Quality Center. It defines knowledge management as “the systematic process of identifying, capturing and transferring information and knowledge people can use to create, compete and improve” (World Bank 2010c). The key benefits of knowledge management according to the Bank are: “competition, downsizing, innovation, speed, quality and cost-savings” (World Bank 2010c)<sup>19</sup>. Further, the Bank also identifies three key objectives of its knowledge management program. These are:

- To enhance understanding of KM [i.e. knowledge management] concepts, tools and practices among development professionals, particularly in World Bank client countries
- To build staff skills within development agencies and client governments in the use of KM tools and approaches, particularly through the use of customized Action Plans
- To enable development agencies and client governments to develop and implement successful organization-wide, and program-specific KM initiatives (World Bank 2010c)

The Bank explicitly acknowledges that the idea of knowledge management was borrowed from private sector organizations. During the early 1990s, knowledge management had gained popularity among private sector corporations especially in United States (U.S) and countries of Western Europe. Knowledge management programs gained popularity in the public sector much later primarily because the private sector had a greater business need for competitiveness (a combination of speed and quality of service and innovation all at a cheaper cost) to compete globally (World Bank 2010c).

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<sup>18</sup> In his groundbreaking article, *The Knowledge-creating Company*, which appeared in the Harvard Business Review in 1991, Ikujiro Nonaka argued that the success of Japanese companies came from their innovation, or more specifically, their ability to create new knowledge and use it to produce successful products and technologies. It is around this time that the term “knowledge management” began to be used to define a new realm of management science

<sup>19</sup> For a more detailed understanding of each of these concepts please refer to the World Bank official website, <http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/KFDLP/0,,contentMDK:20934424~menuPK:2882148~pagePK:64156158~piPK:64152884~theSitePK:461198~isCURL:Y~isCURL:Y~isCURL:Y~isCURL:Y,00.html> .

## 1.2 Neoliberalism and the World Bank

Neoliberalism is both an ideology and a political project (George 1999). As an ideology neoliberalism draws heavily from classical liberalism, neo-classical economics and modernization theory (Chang 2008, Peet and Hartwick 2009). Classical liberalism is a political philosophy that sought to reduce the power of state (and therefore government) and advocated for individual liberty including freedom of religion, speech, press, assembly and free markets. It is believed that the kind of state and society classical liberalists sought was as a consequence of the changes that Industrial Revolution had brought about (Peet and Hartwick 2009, 78-79)<sup>20</sup>. Neoliberalism “values market exchange” as “an ethic in itself, capable of acting as a guide to all human action, and substituting for all previously held ethical beliefs” (Harvey 2005, 3). Eighteenth century liberal economists believed that “free market” was the most efficient way of establishing a well functioning economy, “because it forces everyone to perform with maximum efficiency” (Chang 2008, 13). Classical liberals argued against excessive government intervention in the economy, as they believed it to reduce market efficiency. More specifically, government regulations about “import controls” and “entry of the potential competitors” (therefore creating monopolies) were considered harmful and perceived to reduce the competitiveness of markets (George 1999). Although both classical liberals and neoliberals share a common enthusiasm about the free market, few differences remains between the two groups. Neoliberals believe in “certain forms of monopoly (such as patents or the central bank’s monopoly over the issue of bank notes)” and “political democracy” (Chang 2008, 13). Neoliberalism is also a political project (George 1999). It is a political project because it

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<sup>20</sup> Government, as explained by Adam Smith, had three priorities: providing security against foreign invaders, protecting citizens against each other (i.e. from crimes committed by other citizens) and building infrastructure for public institutions and providing public works (which the private sector could not provide profitably). The notion of protecting the state was also extended to the protection of overseas markets, if required through armed intervention. Further, protection of individual citizens translated into securing their private property and enforcing contracts and the suppression of trade unions. Additionally, the mandate to provide public works also included stabilizing the national currency, standard weights and measures, and support of roads, canals, harbors, railways and other communication services (See E.K. Hunt’s *History of Economic Thought*, pp 51-53).

reinforces class struggle by concentrating wealth in the hands of the few (Harvey 2005, 16). Further, it believes in the ability of the economy to “dictate [the] rules to society, not the other way round” (George 1999).

Neoliberalism rose to power during the 1980s with the arrival of conservative governments in both the U.S. and Britain. During 1960s and 1970s, Keynesian economics had dominated the economic scene in much of North America and Western Europe (George 1999). However, decline in productivity, high unemployment and increase in inflation caused the trajectory of economic growth to slow down<sup>21</sup> and drew criticism from neoliberal economists. This moment was seized by neoliberal opportunists, who criticized the welfare state and the massive public spending that had characterized such welfare states<sup>22</sup> (especially in Western European countries such as Britain and West Germany) during 1960s and 1970s (Peet and Hartwick 2009).

Among rich countries, U.S. and Britain were quick to adopt neoliberal policies during the Regan and Thatcher administrations. Policy wise the emphasis remained on competition, i.e. “competition between nations, regions, firms, and of course between individuals”. Whereas in private sector, the key objectives of competition remained profit accumulation and expanding market share, the public sector did not meet these criteria. Therefore the public sector was considered not fit to provide services and goods. This led to a wave of privatization and “downsizing” of the public sector (George 1999). Since then privatization has been one of the most prominent features of neoliberalism. Added to this, “deregulation” and “opening up of international trade and investment” and brutal competition between private corporations for profit generation and increasing market share in the global economy have also become the other core features of what Chang (2008) calls the “neoliberal agenda” (Ibid., 13).

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<sup>21</sup> Peet and Hartwick (2009) and George (1999) argue that Keynesian welfare economics alone cannot be blamed for the economic decline of 1960s and 1970s. The Oil Crisis of mid 1970s and the massive rise in oil prices caused high inflation. Similarly, the coming of age of a new generation of workers born during the age of ‘baby boomers’ right after the end of the Second World War also was a crucial factor in causing high unemployment.

<sup>22</sup> For a more in-depth understanding of welfare state development and retrenchment of the welfare state please refer to Paul Pierson (1994) *Dismantling the Welfare State? Reagan, Thatcher and the Politics of Retrenchment*. Cambridge: Cambridge University Press and Jacob Hacker (2004) “Privatizing Risk without Privatizing the Welfare State: The Hidden Politics of Social Policy Retrenchment in the United States”. *American Political Science Review*, Vol 98, No. 2 (May), pp 243-260.



George (1999), Bello (2000), Harvey (2005), Peet and Hartwick (2009) and Chang (2008) contend that the domestic economic reforms that rich industrialized countries underwent during 1970s created a “fundamental transformation” in political thinking. Developing countries were unable to escape the hands of neoliberal reform. Chang (2008) explains this as:

In relation to the developing countries, **the neoliberal agenda has been pushed by an alliance of rich country governments led by the US and mediated by the ‘Unholy Trinity’ of international economic organizations that they largely control – the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO)**. The rich governments use their aid budgets and access to their home markets as carrots to induce the developing countries to adopt neoliberal policies. This is sometimes to benefit specific firms that lobby, but usually to create an environment in the developing country concerned that is friend to foreign goods and investment in general. **The IMF and the World Bank play their part by attaching to their loans the conditions that the recipient countries adopt neoliberal policies.** ... international organizations are supported by **an army of ideologues**<sup>23</sup>. Some of these people are highly trained academics who should know the limits of their free-market economies but tend to ignore them when it comes to giving policy advice. Together, these various bodies and individuals form a powerful propaganda machine, a financial-intellectual complex backed by money and power (Ibid., 13-14) (emphasis added).

As Chang (2008) and others (George 1999, Bello 2000) have suggested, the World Bank has been an agent of neoliberal reform since 1980s. Initially, the Bank pushed for neoliberal policies in the form of Washington Consensus (WC) which was created in the aftermath of the International Debt Crisis of 1980s<sup>24</sup> (Peet and Hartwick 2009, 85). As part of the WC, the key policies that the Bank’s “neoliberal agenda” emphasized were fiscal discipline, reorientation of public expenditures, tax reforms, financial liberalization, unified and competitive exchange rates, trade liberalization, openness to direct foreign investment, privatization, deregulation and secure property rights (Rodrik 2006, 978)<sup>25</sup>. These policies were never targeted to reduce poverty. Rather, their focus was mainly to induce economic growth. The assumption was that economic growth would in turn reduce economic inequality (Gibbon 1992). The failure of SAPs

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<sup>23</sup> George (1999) argues that “starting from a tiny embryo at the University of Chicago with the philosopher-economist Friedrich von Hayek and his students like Milton Friedman at its nucleus, the neoliberals and their funders have created a huge international network of foundations, institutes, research centers, publications, scholars, writers and public relations hacks to develop, package and push their ideas and doctrine relentlessly”.

<sup>24</sup> I discuss this in greater length in chapter 3.

<sup>25</sup> A more detail discussion on the WC is provided in chapter 3.

accompanied by massive anti-neoliberal public protests led the Bank to reconsider its suggestions. Following the Meltzer Commission's<sup>26</sup> report, it was concluded that

... with most of its [World Bank's] resources going to the better off countries of the developing world and with the astounding 65-70 per cent failure rate of its projects in the poorest countries, the World Bank was irrelevant to the achievement of its avowed mission of global poverty alleviation. And what to do with the Bank? The Commission urged that most of the Bank's lending activities be devolved to the regional developing banks. ... as one of the Commission's members revealed, **it 'essentially wants to abolish the International Monetary Fund and the World Bank', a goal that had 'significant pockets of support... in our [U.S.] Congress'** (Bello 2000) (emphasis added).

Termed often as the moment of “neoliberal crisis”, this marked a shift in the ways the World Bank had conducted its business across the globe (Bello 2000, Taylor 2004). The neoliberal crisis also lent a huge blow to the World Bank's legitimacy as a global development agency (Rodrik 2006). The Bank was most criticized for its ideological predisposition, its overstretched mandate, its lack of transparency, its over-bureaucratic institutional culture and its non-inclusive approach to development planning and project design (Pincus and Winters 2002, Kapur 2002, Birdsall and Subramanian 2007). These criticisms accompanied by massive violent anti-neoliberal protests around the globe forced the Bank to consider a new development agenda (Seoane and Taddei 2002, Ayres 2004). As discussed earlier, this new development agenda appeared in the form of CDF, which had two components to it: the PRSPs and the K4D.

The World Bank's new development agenda<sup>27</sup> has been received with mixed reactions. This will be discussed in more detail in the literature review section. However, it must be mentioned here, that for some radical political economists, the new development agenda does not constitute a substantial shift from the earlier one. Some of the newly added features of the present development agenda – such as inclusive approaches to targeted poverty reduction, good governance, anti-corruption measures – raise concern about the extent of reform the Bank has

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<sup>26</sup> Formed as one of the conditions for the US Congress' voting for an increase of its quota in the IMF in 1998, the Commission was a bipartisan body that was tasked to probe the record of the Bank and Fund with the end in view of coming up with recommendations for the reform of the two institutions (Bello 2000).

<sup>27</sup> This has also come to be known as Post-Washington Consensus or PWC. As Rodrik (2006) shows, the PWC includes the ten features of the earlier WC with ten new additions. These ten new additions include: corporate governance, anti-corruption, flexible labor markets, WTO agreements, financial codes and standards, “prudent” capital account opening, non-intermediate exchange rate regimes, independent central banks / inflation targeting, social safety nets and targeted poverty reductions (Ibid.,978). The PWC and its various elements will be discussed in greater length in chapter 3.

undergone (Önis and Sênses 2003, Taylor 2004, Cammack 2003, Miller-Adams 1999). Such radical political economists are of the opinion that the Bank has indeed undergone reform but remains undeterred about its ultimate objective of creating a global free market or in other words establishing a global neoliberal economic order. Unfortunately, their skepticism is well founded, as I will contend in this thesis. This project concurs with the concerns expressed by such radical political economists. A thorough assessment of the K4D initiative will show that strong elements of neoliberalism are evident in the planning and design of the K4D initiative. And this is what constitutes a starting point for this thesis.

### **1.3 Conceptualizing the Project**

This project postulates that the Bank's new knowledge ventures provide the institution with a coping mechanism to address the loss of institutional credibility and political legitimacy in this period of neoliberal crisis. However, this captures only half of the picture. To understand the remaining half, it is important to answer three questions: 1) what is the Bank trying to achieve through its knowledge ventures? 2) Why does it want to achieve it and 3) How does it intend to achieve this?

#### ***1. What is the Bank trying to achieve through its knowledge ventures?***

Lessons from the failure of the earlier development agenda have made the Bank aware of reactionary possibilities<sup>28</sup>. Added to this, the neoliberal crisis and loss of legitimacy raises concerns over the Bank's possible role in international development. Further, the Bank's role in alleviating global poverty has also met with speculation from the development community. As a staunch advocate of neoliberal policies, it would be in the Bank's best interest to eliminate the possibility of any remotely alternative economic approach (both in thinking and practice) and / or at least try to reduce the availability of any such alternatives (Bretton Woods Project 2009). The role of gatekeeper over the realm of development knowledge helps the Bank to monitor and reduce the possibility of rise of alternative discourses.

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<sup>28</sup> Such as the plethora of social and indigenous movements in the developing world, the anti-globalization movement. See Escobar (2010) for more details.

## **2. *Why does the Bank want to eliminate the possibility of alternative thinking?***

The World Bank's knowledge ventures allow the Bank to instill new mechanisms for controlling the trajectory of development politics because controlling knowledge allows the Bank to control and shape the contemporary development discourse (Adler and Bernstein 2005, 294). As the key element at the core of all decisions and policymaking, controlling development knowledge makes the Bank a seat of enormous power and influence. This power helps the Bank navigate through the neoliberal crisis and regain its lost legitimacy<sup>29</sup> in the development community. Further, it allows for new mechanisms of exercising indirect control over the realm of development politics. The need for exercising power in more subtle and indirect manner must be seen as an approach to counter the older strategy of more hierarchical, top-down imposition of neoliberal economic policies on developing countries. The global political landscape has undergone fundamental transformation since the days of the SAPs with the appearance of newer and stronger non-state actors (such as global and local civil society organizations). This changes the notion of "engagement" in decision making as well as that of "accountability" on the part of the Bank, posing new challenges to directly control these locally dispersed set of actors (Adler and Bernstein 2005, 299). This is another vital reason for identifying alternative methods of exercising subtle and indirect control. In other words, these mechanisms of indirect control are integral to reclaiming, sustaining and perpetuating the Bank's neoliberal agenda.

## **3. *How (i.e. in what ways) will the Bank intend to sustain and perpetuate the current neoliberal economic order?***

This will be achieved in two ways. First, although the failure of SAPs has tarnished the Bank's image as a development agency, the Bank's knowledge generation activities (that is its research activities) have not received similar criticism. This has lent the Bank's knowledge generation activities a relatively apolitical image. This image helps the Bank counter the criticism caused by the neoliberal crisis. Further, this apolitical image also renders the Bank's knowledge ventures and its related activities (production, collection, dissemination of knowledge) the convenience of appearing apolitical (i.e. outside the realm of power). It allows the Bank the advantage of operating outside

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<sup>29</sup> The loss of political legitimacy and institutional credibility as a result of the failure of Structural Adjustment Programs to yield the desired economic growth in developing countries.

ostensibly power devoid zones, lending its activities a benign and moral agenda. Further, it helps bypass any political controversy generated by the loss of legitimacy crisis.

Second, the Bank has carved out an exclusive and specialized zone of activity for itself, a zone where it has informally remained for several decades and which it is now ready to exploit for designing mechanisms of indirect control over various actors (such as developing countries, civil society organizations and so forth). To understand how this has been made possible, the Bank's knowledge ventures must be seen against the backdrop of the practices of "good governance" that have come to dominate the development agenda in this era of globalization. The appearance of problems that are of transnational nature and cannot be resolved by states acting alone (Larner and Walters 2004, Wade 2002, Schech 2002) have provided renewed opportunity of engagement for international institutions such as the Bank and the IMF (Cammack 2003, 37). Such institutions have created plethora of governing mechanisms, regulations, codes and bench-marking standards to facilitate governance of various types: political, economic, financial, social, environmental, climate and so forth. The Bank's knowledge ventures must be seen as an effort to create a new mechanisms of global governance (Schech 2002, Wade 2002) – that is global knowledge<sup>31</sup> governance - for the WDR 1998/99, published to officially launch these knowledge ventures, itself is consistent with such claims. In the WDR 1998/99, the Bank calls development knowledge a "public good"<sup>32</sup> that must be made available to all developing countries (Ibid., 1). Further, it claims to assume the responsibility of "managing the rapidly growing body of knowledge about development" (Ibid., 2) to bridge the gap between the developed and developing states for no state alone has the capacity to invest in latest research and the will to facilitate cross-border flow of development knowledge (Ibid., 7). What has been puzzling is the Bank's offering of its six decades long development research experience as the exact expertise required to set up

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<sup>31</sup> In the context of this project, global knowledge governance would always indicate global *development* knowledge governance. I realize that knowledge is a vague term, as it does not indicate what kind of knowledge or knowledge about what is being referred to. This is why, to simplify the matter in the present context, knowledge would be limited to mean knowledge for development or development knowledge and all that such a connotation encompasses.

<sup>32</sup> This will be discussed further in chapter in Chapter 4, however for defining purposes, a public good is that which is non-rivalrous (undiminished by consumption) and non-excludable (consumption is available to all and attempts to prevent such consumption is generally ineffective). Breathable air could be considered a good example although increasingly this has also come under speculation given the adverse effects of pollution. Knowledge is however a strong and convincing example.

this new phenomenon of global knowledge governance. In creating its knowledge ventures, the Bank has therefore carved out a niche and most importantly a legitimate zone of activity for itself (Mehta 2001). At this juncture, it is important to reiterate the main concern about the causal relationship between knowledge and action (development knowledge and policy making). Global knowledge governance must be seen as a notch above all other sorts of governance (mentioned earlier) for in it prevails the power to shape all other forms of governance that may have serious implications for the developing countries.

### **1.4 Theorizing the Project**

Three primary considerations are underway in designing the theoretical framework of this project. First, the Bank is attempting to govern global development knowledge to advance its neoliberal agenda through the employment of a highly organized and sophisticated worldwide knowledge management and sharing program; second, this is being achieved through the creation and establishment of a number of individually designed and locally established programs and projects under the umbrella initiative of K4D; and third, this entire mechanism of creation of locally decentralized governance is being achieved from a distance<sup>34</sup> without the Bank's direct involvement and / or uncalled for intervention<sup>35</sup> in the local (unlike in the previous development

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<sup>34</sup> The World Bank has its headquarters in Washington D.C which I consider the seat of power as the decision making division. It does have regional headquarters in various parts of the developing world however, they do follow orders from Washington in putting into action the decisions made at the headquarter. From this perspective, I consider the Bank as an organization, which tries to "govern" from the distance.

<sup>35</sup> In the previous development agenda, the Bank's intervention in developing countries was direct and in a top-down hierarchical fashion (loan conditionalities were pushed down the throat of borrowing countries and borrowing countries were generally not included in the decision making framework). The premise for the new development agenda is that it is more inclusive and allows borrowing countries, civil society organizations to have more say in planning their development goals. Therefore, the opportunity for direct intervention is much less. However, as I will show in this research, intervention by the Bank still exists except the mechanisms are more indirect and to some extent consensual. The Bank does not coerce its borrowers into agreeing with it. Rather, it has identified new avenues for controlling their activities. For example, the knowledge networks are indirect methods of intervention because they allow the Bank to monitor and control its stakeholders' interactions with development knowledge, how they utilize it and what the final impact of such knowledge is. Further, by hosting these knowledge networks, deciding who gets access to such networks, the Bank does intervene in more subtle manners. Additionally, as a neoliberal institution, the Bank can control various mechanisms of knowledge sharing (who's knowledge, what kind of knowledge and how is such knowledge disseminated) and thus continue to intervene (albeit indirectly) in developing countries.

agenda). Knowledge and power exist in a binary at these local sites of knowledge production and management created as part of the K4D initiative that constantly reproduce each other to create a system of more locally diffused control mechanisms. The existence of such multiple locally diffused governing sites across the globe is a prerequisite for establishing a seamless neoliberal order across the globe. More specifically, a system of bottom-up and decentralized approach to governing the Global South has been put in place in the present context, which gives the impression of emphasizing the local (as advocated by the alternative development agenda) (Larner 2003). This new system of decentralized governance and control from afar, without direct involvement in the local, is in direct contradiction to the earlier notion of top-down imposition of power (from the days of SAP) and is better able to disguise a renewed effort to advance a global neoliberal economic order through a combination of various local efforts (Joseph 2010, Ilcan and Phillips 2006, Rojas 2004).

The choice of the theoretical approach has been guided by the three considerations highlighted above. It is hardly possible to have this discussion on knowledge-power relationship and how such relationship can be instilled by governing activity, without drawing on the theoretical concept of governmentality offered by French political philosopher Michel Foucault. Governmentality, i.e. governing mentality or more explicitly “the art of governing” is a helpful tool for analyzing the subtle and indirect manner in which a governing body is able to conduct and control the “conduct” of the governed (Foucault 1997, 74-75, Rose, O'Malley and Valverde 2006, 84-85). The use of the governmentality approach has been mostly restricted to domestic politics, more popularly in studies of welfare state, liberal governmentality and so forth. However, recently, governmentality has become a more popular theoretical approach among scholars studying international politics. Why and how this has occurred will be discussed in greater length in chapter 2 but for now let it suffice to say that the appearance of phenomenon such as global governance of various types and the increasingly prominent role played by international organizations (as opposed to states) in the politics of global governance has raised a keen interest in the governmentality literature (Jessop 2007, Larner and Walters 2004, Lemke 2001, Lipschutz 2005, Rojas 2004).

The increasing interest in the governmentality literature among those studying international politics has also led to conceptualization of more context specific theorization based

on this Foucauldian notion. For example, concepts such as eco-governmentality, and environmentality to explain the politics of global environmental governance have emerged (Ilcan and Phillips 2006, Kapoor 2002, Goldman 2001, Agrawal 2005). Similarly, the appearance of the notion of “global developmentality” or simply developmentality proposed by Ilcan and Phillips (2006, 2008, 2010) have produced helpful approaches to the study of international development, specifically the phenomenon of how international and / or multilateral organizations have come to manage “the conduct of persons, activities, and spaces through diverse authorities, knowledge expertise, and arenas of calculation which aim to solve certain problems on a worldwide scale” (Ilcan and Phillips 2006).

#### **1.4.1 A Note on the Theoretical Approach**

The study of political economy has evolved considerably since the 1980s with the appearance of critical theoretical approaches such as: the Foucauldian notion of governmentality, the Gramscian notion of hegemony and so forth. Governmentality has been extended to the study of global politics (mostly to study ‘governance’) more recently (Merlingen 2003, Larner and Walters 2004, Lipschutz 2005, Lowenheim 2008, Joseph 2010), i.e. mostly over the past decade. However, Gramscian notion of hegemony has been applied to the study of international relations or IR (especially international political economy and more specifically a hegemonic world order) since early 1980s when Robert Cox first introduced the Gramscian theory to the field of international relations (Cox 1983). That this method has provided new and unique ways of thinking about global politics is evident from the growing body of academic scholarship that has been produced since then (Gill 1993, Rupert 1998, Germain and Kenny 1998, Gill 2000, Morton 2003, Bieler and Morton 2004, Robinson 2005, Ruckert 2006).

At the inception of this thesis, both the Foucauldian and Gramscian approaches were under consideration. More specifically, I was interested in creating a synthesis between the approaches and using it as a theoretical framework for this thesis. However, this has been eventually abandoned and set aside for a later project. I am of the view that such a synthesis would require more exclusive treatment, which may not be entirely possible in this particular thesis (mainly because of the scope of the topic). To ensure that the focus here centers on the empirical question, I have restricted myself to using the Foucauldian governmentality approach, which I feel has more immediate theoretical relevance to the empirical issue. Nonetheless, the



remnants of this initial ambition may be evident in this thesis. For example, my recurring suggestions of the World Bank's intentions to create a global neoliberal order arise from my subscription to the Gramscian view of the existence of a neoliberal hegemonic world order (Gill 1993, Ruckert 2006). Given this, it may be worthwhile to briefly discuss what I envision as an integrated theoretical approach.

The Foucauldian approach and the Gramscian approach, both have their own appeal to scholars in the field of IR. As someone interested in critical approaches to studying IR, I find both very useful and relevant to my research especially in studying the politics of international organizations. The Foucauldian notion of subjective truth and how power is continuously reproduced through use of such subjective truth to design various mechanisms of control are useful to studying the diverse governing mechanisms that have been created as part of international organizations' machinery of control (Foucault 1991, Rojas 2004). The governmentality approach is especially helpful in analyzing the phenomenon of "good governance" that has emerged over the past decade in international political economy (Larner and Walters 2004, Lipschutz 2005, Merlingen 2003). Yet, at the same time, I have to admit that I appreciate the use of Gramscian notion of hegemony to study both the practical and ideological creations of a certain world order (more specifically the neoliberal world order) and the role of international organizations in establishing such hegemonies (more so in a seemingly state driven world) (Cox 1983, 172).

In many ways, I see Foucault's governmentality approach and the Gramscian approach as complementing each other. More specifically, I believe that it is possible to construct an analytical framework that integrates both the approaches. In the present context of this research, it can be possible to construct a two-tier theoretical framework, which uses the governmentality approach to understand how power is exercised *locally* through a variety of controlling mechanisms and applies the Gramscian approach to understand how an ideological hegemony is created and perpetuated *globally* to sustain a dominant world order. Essentially, this theoretical framework would then argue that a variety of local governmentalities (note the plural usage of governmentality here) exist across the globe - each with its own unique nature and varying governing mechanisms - although when seen in combination, they all help universalize the perpetuation of a certain ideological hegemony which aids in the creation of a dominant world

order. Empirically, this could be articulated as the presence of multiple neoliberal governmentalities (or governing rationalities and so forth) created by international organization such as the World Bank to sustain the neoliberal ideological hegemony and create a neoliberal world order (Larner 2003).

The integration of these two theoretical approaches is not being proposed because of mere convenience in analysis. For example, the governmentality approach emphasizes *diverse* mechanisms of exercising power at the local front and the Gramscian approach is more vested in understanding the creation of a notion of a singular dominant world order (Rose, O'Malley and Valverde 2006, Cox 1983). One may very well argue that the object of analyses for these two approaches is quite different and therefore an integrated theoretical framework will not be in agreement with the Foucauldian or Gramscian (and neo-Gramscian) scholars. However, the value of a theoretical approach lies in its ability to uncover complex empirical issues and in this sense one could abandon strict subscription to any singular theoretical approach and settle for an integrated synthesis of multiple theoretical approaches, especially if that helps deconstruct a complex empirical issue.

Let me illustrate more clearly what I mean by this. The governmentality approach is especially helpful in deconstructing how all truth (or forms of knowledge) are subjective and how a population can be governed (or controlled) *indirectly* by manipulating such subjective truths to present the governed with imperative rationales. However, the absence of any possibility of objective truth and reality removes any opportunity for challenging the existing power hierarchy. For in Foucault's world, all truth is subjective and the possibility of constructing an alternative and more objective reality does not exist. But, this is not the case with the Gramscian approach. In the Gramscian approach, the possibility of counter-hegemony (i.e. opportunity for changing the prevailing power hierarchy) through the transformation of structural change in the world order exists (Cox 1983). This is relevant for we have witnessed the rise of reactionary forces (in form of anti-neoliberal and anti-globalization protests) in the face of the neoliberal crisis such as coalitions of developing countries (the G20 group) and coalitions of global and local civil society organizations, which challenged the fundamental of the previous development agenda (George 1999, Bello 2000). A second example would be the diverse nature of neoliberal governmentalities that exist across the globe – which may not be uniform in nature – but do

subscribe to the same neoliberal ideological beliefs and try to advance similar goals (in the form of neoliberal policies). Larner (2003) confirms this in suggesting that “varieties of neoliberalism” exist and about the “messy” nature of neoliberalism yet she acknowledges that the political ramifications of such neoliberalism might be somewhat similar (Ibid., 511-512), *thus suggesting the existence of a broader ideological project*. In the same spirit, Larner (2003) also observes that viewing neoliberalism as a “top-down impositional discourse” takes away from varied neoliberal “techniques” of control such as: “best practices, audit, contract, performance indicators, and benchmarks” (Ibid., 512). Therefore, subscribing to the governmentality approach at the cost of the Gramscian approach or vice-versa may mean a loss of a more in-depth and complex analyses. This does not mean that all cases, where each approach has been singularly applied, be revisited. Rather, it is important to remain open to the possibility of considering an integrated theoretical framework if relevant empirical issue is in question.

## **1.5 Contextualizing the Project: Literature Review**

At this juncture, it is important to contextualize this thesis in the current discourse surrounding the Bank’s knowledge ventures. What does the available literature suggest about these ventures? How does it engage with the idea of the World Bank becoming a knowledge bank? And what kind of scope does the available literature imply for this project? These are questions that guide the literature review<sup>36</sup> presented in the following section. The key question (and sub-questions) that guide this review are:

- How does the existing literature assess the adoption of the alternative development agenda especially the creation of the new knowledge bank role?
  - Is the Bank perceived to have abandoned its earlier neoliberal beliefs and its project of creating a global neoliberal economic order?
  - Or has intense criticism from its stakeholders led it to create new, innovative and subtle ways of maintaining its existing status quo?

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<sup>36</sup> This literature review addresses scholarship proposed in the aftermath of the advent of James Wolfensohn as the president of the World Bank (i.e. 1995), which is incidentally the time around which the alternative development agenda (i.e. CDF) was launched in 1996. The launch of the CDF marked the beginning of the new development agenda proposed by the Bank (Cammack 2004).

The following review is divided into three categories: reformists, cautious optimists and pessimist activists. Reformist scholars believe that the Bank is genuinely interested in creating positive change in the developing world and that the adoption of the new and alternative development agenda is reflective of this intention. Cautious optimist scholars are in some ways similar to that of the reformist scholars although they are concerned with the Bank's organizational culture, overstretch of the Bank's mandate and goals and the resultant loss of focus. They view the CDF as an encouraging reform, however, feel that such change is not adequate without first substantially reforming the Bank's institutional culture. The concerns of the pessimist activist scholars are related to the Bank's ideological predisposition, which also influences the institution's activities and goals. They are skeptical of the CDF and the new development agenda articulated by the CDF is not considered substantially different from that of the earlier development agenda.

### **1.5.1 Reformists**

Scholars belonging to this first group typically believe that the Bank's intentions have always been genuine but the policies might not have reflected that because of an inability to account for market and human imperfections in theoretical calculations. They are aggressive proponents of Post-Washington Consensus (PWC)<sup>37</sup> and believe that the adoption of policies proposed by the PWC helps induce the right kind of economic growth (necessary in the first place for development). They call for reform of the Bank and consider it integral to the institution's survival and continued relevance to the development project. They do not perceive any tensions surrounding the Bank's ideological approach to development. Rather their criticism is related to the theoretical assumptions that formed the basis of the earlier development agenda. From their perspective, the launch of the CDF is expected to address the limitations of the earlier framework.

Joseph Stiglitz has been a key figure in defining the Bank's agenda of activities, especially in the aftermath of the failure of the Washington Consensus (WC). At the 1998 WIDER annual lecture, shortly after the Asian Financial Crisis, Stiglitz discussed the shortcomings of international finance institutions (IFIs) and developed countries in realizing the

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<sup>37</sup> The PWC provided the theoretical foundation for the creation of the alternative development agenda, i.e. the CDF. It is discussed further in Chapter 3.

importance of poverty eradication as integral to economic development. He cited the availability of new research and empirical evidence assessing the impact of previously failed macroeconomic stability programs such as the SAPs. In reality, the speech did not highlight anything different than what had been already suggested by the WC. Although Stiglitz emphasized the importance of a participatory and inclusive decision making process, the key focus areas of improvement in his speech centered around economic and financial activities, improving economic policies and creating financial stabilization (Stiglitz 1998a, 1, 28, 30, 31). Consider Stiglitz's vision of a changing attitude to development:

... our understanding of the instruments to promote well-functioning markets has also improved, and we have broadened the objectives of development to include other goals, such as sustainable development, **egalitarian development**, and democratic development. An important part of development today is seeking complementary strategies that advance these goals simultaneously. In our search for these policies, however, **we should not ignore the inevitable tradeoffs** (Stiglitz 1998a, 1) (emphasis added).

Stiglitz's emphasizes social and human developments as key to economic development not because he considers the former from a standalone perspective but because he sees them as integral to furthering economic development. What is more striking is the rhetoric of “egalitarian development”, which raises interesting questions such as: what is the purpose of economic development? Is it not for the wellbeing of the broader public? Should “egalitarian development” at all need to be identified separately? How does rhetoric such as this, affect the Bank’s legitimacy? Further, Stiglitz's “criticism” of the WC,

... highly risk-averse – they were **based on the desire to avoid the worst disaster**. Although the Washington Consensus **provided some of the foundations for well-functioning markets**, it was incomplete and sometimes even misleading ... (Stiglitz 1998a, 33) (emphasis added),

the only available alternative, is quite concerning. Such rhetoric helps create a thoughtful and perceptive image of the Bank while suggesting that the Bank cannot actually be held responsible for what went wrong.

Few months later, Stiglitz gave a very impactful lecture at a UNCTAD conference in Geneva. This particular lecture is consistent with his earlier speeches (Stiglitz 1998b, 7), except it goes beyond the rest and argues for the Bank’s need to become a knowledge management organization. He calls for “rethinking” development as a future “vision” of what a society *should be* in few decades (not considering that such a vision might not be “uniform” but vary across

societies / states), how it should evolve and how the Bank can outline a strategy for such development (i.e. *the* “uniform” development strategy across countries). The bank is presented as an organization that has the requisite resources and capacities to

... help countries to close the knowledge gap. It can provide the **cross-country experience** that, when melded with local knowledge, makes possible effective choices of development policies, programs, and projects (Stiglitz 1998b, 28) (emphasis is my own).

Such a vision entails a predestined result (that conforms with the Bank’s ideological beliefs) and does not provide the scope for exploring any alternative options. The presence of the element of what a society ‘should be’ rather than what it ‘can be’ is disappointing and closes the opportunity for any critical dialogue on what it ‘can become’ (and that this end goal may be different for different countries). Further, the Bank’s make-over as a knowledge management organization and creation of a “cross-country” research portfolio not only symbolize its influence as a “grand research agency” of global scale but also pave the way for *long sought after* creation of *customized* programs, policies, and projects utilizing Bank’s understanding of local sensitivities and the *universal* nature of poverty. In the aftermath of receiving the Nobel Prize in 2001, Stiglitz's views on PWC have found a wider audience and gained more publicity. The frequency and feasibility of doubting the words of a Nobel Laureate are unfortunately quite low.

Another group of scholars, Gilbert, Powell and Vines (1999) believe that there is a need for a centrally organized institution like the Bank – albeit a reformed and repositioned one - which would be solely responsible for addressing global poverty reduction issues. According to them, such a central institution can ensure developing country governments succeed in inducing the requisite institutional changes; can install appropriate processes for the right use of information to create a favorable market environment in developing countries; and can create opportunities for *all* to benefit from public goods (Gilbert, Powell and Vines 1999, F599). Therefore, they suggest that the Bank best fits the role of a financier of “good projects” and also that of a research institute / knowledge bank that can provide borrowers the benefit of “valuable policy advice”.

Gilbert, Powell and Vine’s suggestions are at best simplistic, reductionist, ambiguous and incomplete. They fail to appreciate the complicated relationship between the borrower – lender (i.e. in this case, the developing country – the Bank) and the power hierarchy that exist between the two parties. Their suggestions are also somewhat ambiguous and incomplete because they do

not clearly define what makes a good borrower, a good project or the nature of the Bank's involvement in policy analysis / advising. Who decides what is a good project and whether the borrower is fit to be considered credible (i.e. good) or not? How should one arrive at such evaluative measures? In the absence of complete answers to these questions, their recommendations simply lack practicality.

### **1.5.2 Cautious Optimists**

Scholars belonging to this group feel that the Bank has overstretched itself and lost focus of its priorities. They also identify several problems with the Bank's internal organizational culture and the attitude of the Bank's staff. They are encouraged by the Bank's reform efforts and emphasis on country ownership of programs and participatory approach to policy design but are not certain if successful results can be achieved without substantial reform of the Bank's institutional structure and organizational culture.

Jessica Einhorn (2001), a former Managing Director for the World Bank, presents an interesting perspective in understanding the Bank's ever-changing role in global politics. Einhorn's central argument rests on the fact that the Bank has stretched itself too far in taking on more than it can chew, especially in the recent decades. As the pressure from different constituencies (developed / developing countries, international and local civil society organizations or CSOs) has risen, the Bank has assumed various additional responsibilities, despite lacking sufficient resources and capabilities (Einhorn 2001, 23-24). Very few would really dispute this argument of Einhorn's. However, Einhorn's depiction of the Bank as the *only* workable option and even more interestingly her portrayal of the Bank's adoption of "poverty alleviation" as some sort of a benign gift to the developing world certainly creates concerns (Einhorn 2001, 29). She sees the Bank as the only one among the IFIs, which has *at least* taken the burden of development solely on itself. Thus, she argues that the Bank is in serious need of improving its capabilities, reprioritizing and scaling down its enormous existing portfolio of business (Einhorn 2001, 33).

Einhorn also reviews the various reforms the Bank has undertaken to address the complaints of critics. She is convinced that the Bank's efforts to reform itself are genuine and as a response to critics as well as specific stakeholder groups who are most affected by poverty.

Regrettably, Einhorn completely ignores that the Bank might have underlying intentions in adopting such reform measures, intentions such as maintaining its organizational status with changing times in order to sustain its dominant role in international politics. Einhorn's thesis is weakened by the lack of attention paid to the rationale behind why an institution should feel the need for reform from within, especially one as big and powerful like the Bank. Institutional transformations are slow and take time to come into effect but there has never been a clear acknowledgement by the Bank of its failures. Causes of failure were considered mainly in connection to poor implementation and poor ownership of programs by developing countries. Even the Bank's public relations campaign, launched in mid 1990s after the arrival of Wolfensohn as the new President, never really clarified the Bank's position on the failure of the earlier development agenda. For example, the World Bank published document that marked the official launch of CDF, discusses the contents of CDF but does not clearly indicate the weaknesses or flaws of the earlier development (See Wolfensohn and Fisher 2000).

Bruce Rich (2002) writing in *Reinventing the World Bank* concludes that the Bank's claims of reprioritization and reform are purely rhetoric and far from reality. The reorientation of the Bank's policies and creation of new development initiatives are integral to a well designed public relations campaign and have been immensely successful in lending the Bank a revamped image. Rich considers that the lack of organizational transformation weakens the reform project especially as a factor that has ceaselessly contributed to failure of Bank projects in developing countries. Rich cites instances such as the Bank's growing operations in private sector development related projects during the late 1990s and the increasing number of non-project emergency bailout packages as evidence of lack of any reform on the part of the Bank. Further, he shows that such lending has not been directly related to reducing poverty (Rich 2002, 26). Rich also notes the absence of any substantial change in the attitude of the Bank management and senior officials. The "culture of loan approval" had grown deep roots among the Bank's senior management, which had affected the Bank's performance and the quality of operations it funded (Rich 2002, 27). Particularly, little was done to avert the decline in performance of the social and environmental sector projects. Projects belonging to the social and environmental sectors had faced budget reductions and failed to keep sole authority over remaining funds (Rich 2002, 37-38). As Rich points out, the most significant contradiction to the Bank's promise of poverty eradication was the fast paced growth of the International Finance Corporation (IFC) and



Multilateral Investment Guarantee Agency (MIGA), the Bank's investment lending groups.<sup>38</sup>

Rich concludes by saying,

[that] the charismatic, passionate [world bank] president makes spectacular personal gestures and supports worthy but peripheral institutional commitments to please the Bank's politically correct constituencies. Often there is little follow through and virtually no significant impact on operations. These are side-currents and eddies, swept aside by the broader tide of the continuous change process Wolfensohn inherited and intensified (Rich 2002, 53).

Rich's analysis in this particular scholarship is purely in connection with discussing the depth and breadth of evidence he found which prove contrary to the Bank's claims. Ultimately though, Rich's analysis is no different than his fellow scholars in this group. In conclusion, Rich highlights that the Bank's effort to be "all things to all people" has led to the organization being overstretched and the management losing its primary focus. He fails to see through the Bank's hegemonic project and therefore calls for sincere reform and streamlining the Bank's operations.

Pincus and Winters (2002) and Kapur (2002) concur with Rich in their criticism of the Bank. While agreeing that the Bank does require reform, Pincus and Winters suggest that it is "unrealistic to expect" an organization of the Bank's size and stature to reform itself. They are of the firm belief that the Bank can neither undergo reform (following a certain prescription) nor can it reform itself (i.e. from within). The only option is for the Bank to be reinvented (Pincus and Winters 2002, 3). The authors consider the various possibilities for the Bank to specialize in – 1) a public sector development bank, 2) a knowledge bank providing technical advice and policy suggestions to developing country governments and 3) a niche player focused primarily on providing financing to low-income countries across the developing world (Pincus and Winters 2002, 16). The authors do discuss a fourth option, completely shutting down the Bank but conclude that

if the Bank did not exist, there would be a pressing need to create one. The problem is not having a World Bank, it is having this World Bank – a point largely overlooked by those who respond to the dysfunctions of the Bank by demanding that it simply be shut down (Pincus and Winters 2002, 4).

Pincus & Winters consider that like most large bureaucracies, the Bank is also a "slow learner"

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<sup>38</sup> Most of MIGA and IFC's clients are large multinational corporations and international money center banks and their activities have almost nil impact on the well being of the impoverished in developing countries. In fact, most projects funded by MIGA and IFC are widely criticized for their adverse social and environmental impact.

which is reflected in its inability to quickly and efficiently address its critics (Pincus and Winters 2002, 13).

Kapur (2002) agrees with Pincus and Winters' perspective on the Bank's need to "reinvent" itself. He reasserts his faith in the Bank by suggesting that the problem with the Bank's organizational culture is inherently linked to the loss of focus in the Bank's operations division(s). With the adoption of each new initiative, the numbers of agencies, offices and programs, within the Bank, have multiplied. In the course of managing this rapid expansion, increasing collaborations with more relevant institutions and tackling a broader constituency, it has lost sight of its main purpose (Pincus and Winters 2002, 1, Kapur 2002, 54). He suggests that an organization like the Bank,

makes for a rather unlikely 'voice of the poor': we would not expect the former to mount a political challenge to the status quo nor the latter to raise money cheaply on the international capital markets (Pincus and Winters 2002, 20).

In fact, Kapur believes that even if the Bank has an open and transparent decision making process, it would not really resolve the current challenges facing the Bank. Such an avenue is unrealistic and impractical according to him. The only way for the Bank to improve its performance is to create modest goals and stay within the rigid realms of its expertise (Kapur 2002, 75).

Pincus and Winters and Kapur's optimistic assessments of the Bank's "reinvention" are somewhat simplistic and lack a well founded historical understanding of the Bank's organizational transformation. They fail to contextualize the Bank's "reorientation" of itself in its historical performance and growing crisis of legitimacy. Ideally, the repeated failures of the Bank designed macroeconomic stability programs during 1980s and 1990s should require the Bank to reevaluate the underlying principles of its prescriptions. The Bank might have become an unusually large organization, but this did not happened overnight. The Bank has grown into a complex institution over a period of time, especially since the late 1980s (when the number of SAPs and the Bank's lending rose rapidly). If the size of the organization is the *actual* problem, then (ideally) the Bank's operations during 1980s and early 1990s (when it was relatively smaller and focused) should have produced desired results. Truth be told, the Bank's growth as an organization has been mainly due to one reason – the Bank's inability to consider a plausible alternative to the neoliberal prescription. Failure to conceive alternatives raises concerns over the

rationale for the Bank's existence and in turn forces the Bank to persist with the only development philosophy available to it. Simply put, in the face of the neoliberal crisis, the Bank has been pushed to the brink and has tried every (neoliberal) policy prescription available to it. In fact, the creation of CDF and PRSP are merely Bank's efforts to create socio-political transformation in the developing countries, which would allow the Bank to maintain power hierarchy (in its relationship with the Global South). Such a strategy has in turn led to the massive expansion of project, initiatives, offices, agencies and staff, therefore diluting the Bank's focus.

Birdsall and Subramanian (2007), claim that the Bank has kept its stakeholders "reasonably happy" (Birdsall and Subramanian 2007, 2), not specifying how, where and in what ways. The lack of evidence to support this claim raises concerns such as: what is the "reasonable happiness" of the developing countries? In what ways has the Bank kept its borrowers "reasonably happy"? The only conceivable answer to this question can be the number of loan proposals approved. But that still leaves other questions to be answered, such as – have the borrowers been satisfied with the level of success such projects yielded? More importantly, is "reasonable happy" the benchmark for measuring the Bank's success in developing countries? Birdsall and Subramanian go on to defend the Bank, suggesting that in the absence of a clear work plan from its member governments, the Bank has not been able to efficiently engage its "considerable" economic and technical expertise to provide a more efficient plan of poverty eradication. In fact, in order to reform the Bank, the authors believe that the Bank should reduce its lending operations. Lending to middle income countries should be stopped (given the large amount of private sector lending they have access to) and the Bank's resources and staff should be reallocated to manage lending to low-income countries in Sub-Saharan Africa. The Bank should gradually retreat from lending operations and reprioritize its ability to work as an advisor / consultant to developing countries (Birdsall and Subramanian 2007, 7-9). In suggesting so Birdsall and Subramanian do not consider whether developing countries want / need or would like to refuse the Bank's technical expertise, but believe that

... the **constant demands on the Bank to be involved in global programs**, because of its technical expertise and sometimes because of its financial capacity, demonstrate the point: that it is **singularly set up** to exploit its **comparative advantage in addressing development challenges** that require collective action at the global level (Birdsall and Subramanian 2007, 7) (emphasis added).

Birdsall advocates for borrowing countries to get together and decide a “price” for the Bank’s policy and technical advisory services and for the Bank to design price subsidies for severely poor countries. She blames the borrowing countries for having failed to introduce positive changes in the Bank’s governance structure and set up means of utilizing the Bank’s expertise for the broader “good” of the developing world. She argues that initiating these changes would affect the Bank – borrower relationship more positively, reduce the institutional obligations, conflict of interest issues on the Bank’s part and reduce dependency of the borrowing countries on the Bank’s lending services and counter the conditionalities that come with it (Birdsall 2007b, 57-58).

A number of deeper ideological and conceptual problems emerge with the arguments of Birdsall and those who concur with her. First, by suggesting that the Bank continue lending and providing technical advice, such scholarship overlooks the demands of reform by stakeholders from developing nations. Second, scholarship that suggests the Bank should continue its work as usual, lends credibility to the Bank’s neoliberal ideological principles and offers it as the only solution to achieving economic development. Third, a repeated suggestion for the Bank to transform itself into a knowledge bank / research institute neglects to take into account the current dominant order that exists / the new cycle of power hierarchy that can be created because of such knowledge. The benign belief that there is no power hierarchy between the Bank and the borrower (or buyer of knowledge / technical expertise) considerably weakens Birdsall’s argument. Finally, the argument that the Bank expand its operations and acquire more resources to satisfy the borrowing countries, neglects to account for the fact that borrowing countries have very little say in the Bank’s internal administrations and decision making.

The discourse generated by scholarship of this group is flawed because it originates from the presumption that the Bank’s intentions have always been benign. Such scholarship fails to investigate if developing nations at all benefit from the Bank and its neoliberal prescriptions. On the contrary, it helps spread the Bank’s capitalist intentions by suggesting that Bank’s expertise is far superior to that of any local, regional or national initiative within the developing world. Despite the enormous crisis of the neoliberal economic order and more than two decades of failures, it is appalling to witness the Bank being treated as an organization that has some potential to get it right.

### 1.5.3 Pessimist Activists

Unlike the previous two groups, this group's analysis goes beyond simply decrying the organizational culture and lack of focus. Despite the reforming efforts of the Bank, these scholars are skeptical, as they do not witness any change in the underlying neoliberal principles, which they consider to be genuinely responsible for failure of the development project thus far. They are also suspicious of the Bank's real intentions of reforming, as they perceive the Bank to be a dominant institution primarily interested in pushing its neoliberal agenda on developing countries. Their work is also unique in that they apply a variety of critical and contemporary approaches to studying international political economy in trying to uncover the Bank's genuine motives. I call this group pessimist activists.

In a critical appraisal of the Post-Washington Consensus (PWC) and the evolving role of the Bretton Woods Institutions (BWIs), Önis and Sênses (2003) highlight their concerns over the Bank's changing role. Drawing on the Bank and the Fund's influential role in the years following the WC, the authors suggest that the new excitement around poverty alleviation helps the Bank maintain its dominant influence on the developing world (Önis and Sênses 2003, 21). Politicizing the issue of poverty lets the Bank be "in business" and continue spreading the neoliberal economic order. As good governance, accountability, transparency receive heightened importance in the PWC era, the Bank along with the Fund has concentrated on pursuing related projects to developing country governments. Hardly any attention is paid to revising the accountability and transparency issues related to the Bank. The participatory approach and country ownership strategies encouraged by the PWC conveniently overlook the need to closely monitor / evaluate the Bank and the Fund programs and make them accountable to "global citizens".

Önis and Sênses (2003) also express deep concern over the fact that the same set of institutions that implemented the WC is also in charge of implementing PWC. While governments of developing countries are consistently criticized by international institutions such as the Bank and the Fund for their inefficiency and failure to improve domestic conditions that would yield better results, no similar changes are sought in the workings of the Bank, the Fund or that of the international political or economic environment (Önis and Sênses 2003, 24-25). In the

face of intense criticism from the development community, even if the Bank & the Fund have shown inclination to implement review programs, improve accountability and transparency, this has been mainly rhetorical. The Bank has been extremely secretive about sharing any internal institutional changes it has implemented and limited public discussions on its reform and transformation (Önis and Sênses 2003, 25).

Mainstream academic literature commonly criticizes the Bank as an institution that is vastly over stretched, crippled by the “loan approval culture” and lacking sufficient understanding of the challenges it is trying to address. Friedrich and Friedrich (2002) put forward an interesting perspective. While reviewing one of the institution’s failed projects in Thailand and its adverse social and environmental impact on the local population, the authors consider the Bank’s activities “paternalistic, secretive and counterproductive in terms of any claimed goal of improving people’s lives” (Friedrichs and Friedrichs 2002, 23). The authors try to contextualize the Bank’s activities in the latter’s “criminogenic” structure and organization. They explain that the problem lies with the Bank’s management and senior officials<sup>40</sup> who are significant contributors to policy design yet escape the brunt of taking responsibility for their actions. Friedrichs and Friedrichs draw upon Bradlow’s (Bradlow 1996, 75) analysis of the Bank’s work culture in suggesting that,

The underlying incentive structure at the Bank encourages "success" with large, costly projects. Bank employees are pressured to make the environmental (as well as social) conditions fit. Like other international financial institutions, the World Bank is structured so that it rewards its personnel for technical proficiency rather than for concerning themselves with the perspectives and needs of the ordinary people of developing countries (Friedrichs and Friedrichs 2002, 24).

The Bank has continuously rewarded its officials for designing big technical projects and grand loan schemes rather than evaluating the human consequences of such activities (Friedrichs and Friedrichs 2002, 25). The Bank staff has been conveniently able to avoid taking responsibility for their actions, under the rubric that such decisions are made collectively as an organization. At the same time they have been able to project a “neutral” image for themselves the same applies to

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<sup>40</sup> I do recognize that all bank officials and management personnel do not think in the same fashion or have the same mentality or opinion of development. As in any organization, the Bank would also have staff members with diverging opinions. However, it can hardly be ignored an organization’s working philosophy is to some extent representative of its official’s attitude and approach. It is this dominant mentality that I try to highlight here.

their staff. The creation of such a criminogenic environment certainly adds a new dimension to understanding the Bank's broader role and reconsider reasonable responses.

Under the circumstances, it would be important to consider another angle on this "neutral" or more popularly called "apolitical" nature of the Bank's business. The Bank's Articles of Agreements – the organization's founding document – remains apolitical and does not adopt sides (with rich or poor countries), however, most critics of the bank argue that the Bank has never really been an apolitical organization (Miller-Adams 1999, 22-23). The very activities of the institution i.e. meddling in the domestic affairs of developing states, supporting the government for adopting its policies (even if such governments are authoritarian), alienating CSOs or any form of opposition to such governments, constitute political activities. In that sense it is impossible to consider the Bank an apolitical institute or a "neutral" body. The obvious question is how does the Bank's apolitical image aid it in its daily activities? To begin with, the apolitical nature of the Bank's identity certainly lends it legitimacy in the international community. Moreover, as Miller-Adams (1999) highlights, this apolitical nature of the Bank allows it to work with a variety of governments, whether democratic or non-democratic, pro-Western or anti-, with differing political ideologies and philosophies (socialist, communist or capitalist). In order for the Bank's neoliberal agenda to be sustained, it is important for it to spread its influence across a wide range of state actors. This helps sustain its global image and strengthen its influence while providing it with a wider platform to act.

Marcus Taylor (2004) investigated the Bank's "new development agenda" and argues that this renewed commitment to poverty eradication goes beyond just combining economic policy with social and institutional reform for creating sustainable market economies (Taylor 2004, 4). Based on a "materialist critic of capitalist development", Taylor demonstrates the limits of such reform. Suggesting that the Bank's efforts to reinvent itself indicates the need to evaluate alternative policy formulation, Taylor believes that this rapid strategic realignment on the Bank's part and an emphasis on country ownership / participatory approach to development, is a joint effort toward sustaining and continuing the project of global capitalist expansion. By placing heightened importance on empowerment of the poor, the Bank desires to limit the "social aspirations" of the poor and confine their activities within the broader liberal project. Therefore, the Bank believes in empowerment only as long as it serves its broader agenda of facilitating the creation of market economies. By allowing the poor to empower themselves, the Bank convinces

them of their full incorporation in the capitalist system and convinces them that the current system *alone* can offer them the best price for their labor. Contrary to before (i.e. during SAP days, and the previous development agenda), when the Bank's dealings were primarily restricted to the government alone, by strengthening its relationship with a wider group of audience, i.e. the poor man, the CSOs, and the private sector, the Bank strives to reduce any or all obstacles to the expansion of the neoliberal economic order (Taylor 2004, 29). In fact, Taylor explains that the creation and promulgation of the CDF in mid 1990s by the Bank President Wolfensohn and Chief Economist Stiglitz helps construct

... a vision of the extension of social engineering through policy and institutional reforms in order to achieve a projected market utopia in the global South. It builds upon the basis of the neoliberal project to obliterate institutionalized impediments to the discipline of capital, yet acknowledges the need to recompose new institutional forms to facilitate the former (Taylor 2004, 35).

In a more recent article, Taylor (2009) applies his analysis to the current financial crisis and the global melt down. His analysis reveals a newer and less apparent dimension of the Bank's strategy. In this article Taylor discusses the Bank's efforts to paint the current financial crisis and its economic and social impact on the poor as a completely detached event, independent of the gradual progression of worldwide capitalism (Taylor 2009, 148). Taylor suggests that by portraying the recent economic crisis in this fashion, the Bank seeks to protect the legitimacy of the "existing rational social order" preached by the dominant neoliberal ideology (Ibid.). Such a discourse helps the Bank to justify

the imposition and reproduction of capitalist social relations as the driving force of development. For the Bank development requires the removal of the social and political barriers that inhibit market participation by individuals who hold rights to private property and are secure from coercion by other individuals, social groups or the state (Taylor 2009, 149).

Following the declaration of a widespread and deepening economic recession by the industrialized countries, the Bank and other international organizations were quick to declare that the rising food and oil prices "could have grave implication for international security, economic growth and social progress" in developing countries (Taylor 2009, 148). Applying such "security" undertone in the context of deepening material poverty in developing countries (as has been caused by the current economic crisis) helps the Bank to maintain the established political and legal framework for neoliberal economic development (Taylor 2009, 151). The Bank conveniently portrays the economic and social insecurities arising out of the global economic



crisis as a consequence of poor countries” lack of access to the international market and its inability to adopt a market style economy. Therefore,

... the conditions of insecurity and material deprivation reproduced within capitalist social relations are continually interpreted as further legitimating the project of market development and security of property. This is evident in the responses of international development institutions to the food crisis, climate change, underemployment and poverty: all of which are to be cured by extending markets and property rights. ... **however, securing the power of money and property, despite the populist incarnations of the World Bank’s promise of providing a level playing field which can “empower the poor”, serves to reinforce the vastly unequal distribution of wealth and material resources on a global level and results in the endless accumulation of insecurity alongside the concentration of wealth and power.** As the contradictions of capitalism—poverty among plenty, security within insecurity, order through disorder—continue to grow ... (Taylor 2009, 160) (emphasis added).

Views and opinions, which suggest that the Bank is undergoing reform to keep up with the global call for more equal development, therefore, need to be more closely examined. The fact that the Bank is reorienting cannot be refuted, but it is important to recognize that this is not to reduce global inequality, but to maintain the status quo that helps spread the neoliberal economic order.

While critics are divided on whether the Bank’s commitment to the issue of poverty reduction is genuine or not, Cammack's (2004) arguments are worth spending some time on due to the unique perspective (although on the same side of the political spectrum at that of Taylor's) he adds to this discourse. He suggests critics have failed to see through the Bank’s poverty reduction strategies. Unlike most, he argues that the Bank is indeed serious about its commitment to poverty reduction and the recent adoption of ownership / participatory approach to development is not merely propaganda. However, this does not mean that the Bank is solely committed to poverty reduction for the *actual* purpose of alleviating poverty. The Bank is serious about pursuing poverty reduction because

... (its) principal objective is the systematic transformation of social relations and institutions in the developing world, in order to generalize and facilitate proletarianization and capitalist accumulation on a global scale, and build specifically capitalist hegemony through the promotion of legitimating schemes of community participating and country ownership (Cammack 2004, 190).

The Bank intends to “proletarianize” the poor by educating and training them and eventually introducing them to the competitive labor markets, which will help, sustain the process of global capital accumulation. Adoption of country ownership and participatory strategies aid the Bank to gain credibility among the poor mass in developing countries. Further they also allow the Bank to

indirectly select “eligible” participants and control their level and extent of participation in order to create pro-poor participation. Cammack points out that the CDF, designed jointly by James Wolfensohn and Joseph Stiglitz, emerge from the Bank’s claim to the knowledge “hub” for the development community. Further, country ownership and local participation are merely “disciplinary rather than empowering in intent” (Cammack 2004, 190). A process, such as this is exemplary of more than a “shallow” commitment to the neoliberal philosophy (Cammack 2004, 192). The Bank’s activities around poverty reduction are suggestive of a strong engagement with the neoliberal philosophy, deeper than ever before.

The Bank’s evolution as a knowledge bank and its emphasis on portraying itself as the ultimate research institute with the “right kind of knowledge” (Cammack 2004, 196) is primarily to ensure the success of the hegemonic project. In the absence of the confidence and reliance of the governments of the developing countries, the Bank’s “proletarianizing” project is bound to fail. According to Cammack, through this aggressive reorientation of its approach to development, the Bank has

... consistently sought to feed its understanding of poverty reduction as the transformation of society to embed the disciplines of capitalist competition not only into its official discourse, but also into mechanisms to bring about the institutional and social transformation of developing countries ... .. **its commitment to participation is selective but single-minded, and it targets the poor quite unsentimentally for systematic proletarianisation** (Cammack 2004, 206) (emphasis added).

Cammack also examines Wolfensohn and Stiglitz's contribution to securing this new position of the Bank and the “preaching” they undertook for this purpose. Cammack concludes that the Bank is solely interested in its vision of long-term global capitalism and seeks to promote “global governed markets” as a way of achieving the former (Cammack 2004, 190).

The *pessimist activists*” perspectives, particularly that of Cammack’s and Taylor’s are refreshing in the sense that their analyses goes beyond what most contemporary political-economists have failed to provide, i.e. the insight that the Bank’s neoliberal commitments are sincere and that any organizational / attitudinal transformation is purely devoted toward this cause. They identify an authentic, reasonable and pragmatic purpose in the Bank’s recent activities and contextualize it in the need to sustain the dominant neoliberal order.

### **1.5.4 Outlining the scope for this project**

There seems to be a unanimous consensus that the World Bank has undergone a transformation from mid 1990s onwards, i.e. essentially the post-CDF period. However, scholars are divided on the nature and purpose of this transformation. The adoption of the knowledge bank role is seen as a natural and obvious next step by some (the pseudo critics and the cautious optimists), especially the pseudo critics who are concerned with overstretch in the Bank's roles and responsibilities related to lending and development planning (the pseudo critics and the cautious optimists). The move toward becoming the knowledge bank is seen as move away from unnecessarily extending its engagements externally but at the same time, a move forward internally to reorganize. From this angle, the pseudo critics do not foresee any concerns with the Bank's new knowledge bank role.

The pessimist activists on the other hand raise concerns about the new knowledge ventures of the Bank. Their criticism includes the Bank's knowledge ventures and further extends itself to the adoption of the new and alternative development agenda, which they contend is an effort to adapt to the changing dynamic of the anti neoliberal / anti-globalization resistance movements that were born during the 1980s and early half of 1990s. The creation of a development agenda that encourages inclusionary and bottom-up approaches is also rooted in the need to see the Bank as an organization that recognizes the importance of the local and is therefore quick to adapt and evolve as an institution willing to work simultaneously with the people, state and non-state actors. The scholars question the Bank's historical ideological predisposition, the nature of the new and alternative development agenda and the conflict of interest that exists in an established development research agency's intentions to become a global coordinator and facilitator of development knowledge.

Rather than writing off the Bank's new knowledge ventures as a simply good and long needed natural next step, the pessimist activists demand rethinking these ventures and their implication for international development. While such scholarship is critical of the Bank's knowledge ventures and its outcome i.e. its implications for development, they are not attentive enough to the ways and means by which these knowledge ventures function, the controlling mechanisms they create and the nature of the knowledge-power relationship that is generated by such mechanisms. Put more explicitly, they are unable to provide an explanation of how the Bank employs its knowledge ventures to create ways of controlling diverse and geographically

distributed local sites of power production (albeit without any direct intervention) which function in distinctly different manner yet reinforce the same conventional notion of creating and advancing a neoliberal economic order. This thesis is an effort to explore these specific questions.

## **1.6 Methodology**

### **1.6.1 Methodological Approach**

I use “discourse analysis” as the primary method of analysis for this research. Discourse analysis is a research method that is based on analysis of language used in written texts and spoken statements such as talks and speeches. Compared to traditional methods of scientific research, which provide concrete answers to problems, discourse analysis is not a result oriented research method. Through textual interpretation of written and spoken communication, it helps to uncover the not-so-apparent intent in the production of such communication in the first place. It is not just a research method but can be seen as a way of thinking that tries to “deconstruct” the meaning of a communication, written or spoken, to better understand the very nature of the problem (Barsky n.d.).

An obvious and necessary assumption of discourse analysis is that every form of communication has a purpose and uncovering the purpose can help understand the conditions underlying the problem (Barsky, Palmquist 1997). Such contextualization of the problem adds newer dimensions to understanding the problem and therefore paves creative avenues of thinking about the solution. The biggest advantage of discourse analysis, as Palmquist points out, is that “[it] provides a higher awareness of the hidden motivations in others and ourselves and, therefore, enable us to solve concrete problems – not by providing unequivocal answers, but by making us ask ontological and epistemological questions” (Palmquist 1997).

Before explaining exactly how discourse analysis has been carried out in this thesis, I will provide an overview of the various primary sources that have been examined. This would help understand more explicitly how discourse analysis was applied to this thesis.

## 1.6.2 Sources

For this thesis, four particular categories of primary documents have been considered. I will discuss below each of the four categories, the documents considered in each of the categories and the rationale for selecting these particular sources for this project.

The first category comprises of Stiglitz's<sup>42</sup> speeches, conference presentations, and academic writings and these documents help deconstruct the strong theoretical (and economic) justifications provided for creation of knowledge economies. The documents considered in this category are:

- Stiglitz, Joseph. "Knowledge as a Global Public Good." In *Global Public Goods: International Cooperation in the 21st Century*, Edited by Inge Kaul, Isabelle Grunberg and Marc A. Stern, 308-325. New York: Oxford University Press, 1999a.
- . "Knowledge in the Modern Economy." *The Economics of the Knowledge Driven Economy*. London: Department of Trade and Industry and the Centre for Economic Policy Research 1, 1999. 37-57.
- . "More Instruments and Broader Goals: Moving Toward the Post-Washington Consensus." *The 1998 WIDER Annual Lecture*. Helsinki, Finland: The World Bank, 1998a.
- . "Towards a New Paradigm for Development: Strategies, Policies, and Processes." *Prebisch Lecture at UNCTAD, Geneva*. Geneva: UNCTAD, 1998b.

The second category comprises of the then World Bank President James Wolfensohn's speeches before and after the launch of the K4D initiative. After Wolfensohn completed his tenure at the World Bank in 2005, the Bank published a collection of his speeches and writings in the form of a book titled *Voices for the World's Poor* in the same year. Wolfensohn's speeches are studied to understand the propaganda that was set in motion to create a wider acceptance of the K4D initiative among a variety of audience. This audience included the Bank's board of executive directors, developing (or client) countries, key decision-making authorities / bodies in donor countries (such as Congressional Staff Forums in U.S.), and sometimes common citizens and civil society groups in developing countries. The particular speeches (Wolfensohn 2005) studied are:

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<sup>42</sup> Prof. Stiglitz was the Chief Economist and Senior Vice President of the World Bank during the launch of the K4D initiative.

- “People and Development”. Address to the Board of Governors at the Annual Meetings of the World Bank and the International Monetary Fund, Washington, D.C., October 1, 1996.
- “The World Bank and the Evolving Challenges of Development”. Address at a Congressional Staff Forum sponsored by the Overseas Development Council, Washington, D.C., May 16, 1997.
- “The Right Wheel: An Agenda for Comprehensive Development”. Remarks at the International Conference on Democracy, Market Economy, and Development, Seoul, February 26, 1999.
- “The Role of Information Technology in a Knowledge-Based Global Economy”. Address to the United Nations Economic and Social Council, New York, July 5, 2000.
- “Promoting the Knowledge Economy”. Keynote address at the German World Bank Forum, Bonn, Germany, May 20, 2003.
- “Merging Global Knowledge with Local Knowledge” Remarks transmitted by videoconference to the Knowledge Economy Forum, Abuja, Nigeria, January 30, 2005.

The third category includes the World Development Report 1998/1999 titled *Knowledge for Development* published jointly by the World Bank and the Oxford University Press. This document marked the official launch of the K4D initiative and therefore is imperative for this thesis. It lays out the important role knowledge can play in development, how knowledge gaps between rich and poor countries hinder the economic development and therefore overall development of poor countries, how such knowledge gaps can be addressed, and what roles can be played by international institutions and governments of developing countries on the policy front to tackle knowledge gaps. The document consists of ten chapters and an overview (somewhat like an executive summary). For this thesis, I have focused on the overview and the last two chapters. These are chapter 9, *What can International Institutions Do?* and chapter 10, *What Should Governments Do?*. These two chapters form the section called “Policy priorities” and are extremely significant for this thesis.

The fourth category of documents includes a number of electronic databases, information networks and websites created by the Bank as part of the broader implementation framework of the K4D initiative. These are studied to gauge an understanding of the variety of digital channels

used by the Bank, the exact role such channels play in facilitating development knowledge flow, the role Bank staff play in coordinating, administering and monitoring such channels and the type of audience these communication channels cater to. Given the huge number of electronic databases, information networks and websites created as part of the K4D initiatives, only a selected few<sup>43</sup> have been studied here. These include the World Bank Institute (WBI), the Global Development Network (GDN), the Global Knowledge Partnership (GKP), the Development Gateway (DG), the Global Development Learning Network (GDLN), and the African Virtual University (AVU).

### **1.6.3 Applying discourse analysis to this thesis**

In examining the first category of documents, particular attention is paid to the economic classification of development knowledge as a “public good”, attaching the notion of “collective responsibility” and how this is utilized to bring development knowledge facilitation and management into the realm of international community, and therefore international organizations (more specifically the World Bank). Next, I also study the commodification of knowledge, i.e. the transformation of knowledge into a “capital” and the suggestion of creating an economy based on this new form of capital. I also examine some overgeneralized assumptions that Stiglitz makes in suggesting the cost of setting up technology related infrastructure and the role of technology in expediting a country’s development trajectory. In emphasizing the importance of developing countries’ transition to knowledge economies, Stiglitz refers to the “digital divide”<sup>44</sup> between Global North and South and provides the example of South Korea and how it has achieved development by integrating technological advancements in its economy. Here, I pay particular attention to Stiglitz’s tendency of suggesting that “digital divide” is the main cause of inequality between rich and poor countries and his recommendations that successfully transitioning to a knowledge economy can reduce this digital divide and hence the knowledge gap between the rich and poor countries. I am particularly interested in how Stiglitz overlooks the politics that shapes North-South inequality and undermines the complexity of global inequality.

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<sup>43</sup> The choice of discussing specific ones is directly correlated to the heavy promotion and publicizing they receive from the Bank. They are the ones that the Bank considers its flagship programs of knowledge sharing.

<sup>44</sup>“Digital divide” is used to refer to the gap between rich and poor countries in integrating technological advancements in the various sectors of the economy (such as healthcare, education, agriculture, distribution of public goods and services, public administration and so forth). This will be discussed in greater length in chapter 4.

Even though Stiglitz provided the theoretical rationales for the adoption of the K4D initiative, Wolfensohn – as the President of the Bank – spearheaded this project. The K4D initiative was his brainchild (Mehta 2001). In the second category of documents, I focus on two things. First, I review the rationales Wolfensohn presented before the Bank’s diverse stakeholders to justify the new role of knowledge bank, and the vision he had for this new role. Although essentially a singular rationale, Wolfensohn presents this in very different manner<sup>45</sup> depending on the audience and the extent of influence they hold over the Bank. Wolfensohn’s ability to successfully “sell” the idea of knowledge bank, albeit through varied logics, before diverse audiences, is a significant reason why the Bank’s knowledge ventures have been seen as a positive transformation. Second, I study the “excitement” he attached to the K4D initiative through story telling. These stories were not entirely false but exaggerated to some extent. They were examples of successful, albeit, small pilot projects that the Bank may have tried in developing countries. They provided the evidence that helped Wolfensohn emphasize the importance of ICT in development and the *possible* benefits that may be achieved by integrating ICT with development.

For the third category of documents, i.e. the WDR 1998/99, I examine the policies (for transitioning to knowledge economy) suggested for developing country governments against those typical of a neoliberal free market economy. These include remaining open to external ideas and opportunities (in form of creating a business environment that can attract foreign direct investment, providing right incentives for foreign corporations), invest in building infrastructure (with the help of foreign corporations) for faster integration of information technology with the economy, imposing stricter intellectual property regulations on domestic businesses, adopting international technology licensing regulations, privatizing certain sectors completely or partially (such as raising the cost of tertiary education or completely privatizing it), encouraging open trade regime (more deregulation, less government involvement) and so forth. I also study how the concept of knowledge is understood and used in this document by the Bank, how Bank’s

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<sup>45</sup> Before developing countries and at open conferences, the K4D initiative was presented as a more inclusive approach (knowledge sharing and exchange) to development. Before the board of executive directors, the Bank’s decades spanning experience in development research was used to justify this new role. Further,



understanding of knowledge is devoid of any notion of politics and merely reduced to information, an easily exchangeable commodity.

The fourth category of primary sources is studied to gauge an understanding of the variety of digital channels used by the Bank to collect and disseminate knowledge and therefore recognize the various ways of knowledge mobilization and management available to the Bank. More specifically, I study the kind of knowledge (the content, the ideological predisposition of such knowledge) that is mobilized, the type of audience that is targeted, the accessibility of these digital channels, and to what extent they promote mutual sharing of knowledge among development practitioners (since that has been stated as a core objective of the K4D initiative).

## 1.7 An Overview of the Chapters

This section provides a brief summary of each of the chapters of this thesis to help readers understand the flow of the thesis.

**Chapter 2 (Theoretical Framework):** This project adopts a governmentality approach, conceptualized by Foucault, to design the theoretical framework for this project. Governmentality was developed as an analytical framework primarily for the study of subtle ways excessive governing is prominent in liberal governments and as a result has been widely applied to study of the domestic sphere, for example the welfare state. Critics have questioned the merit of this approach to the study of international politics. Hence, the first part of this chapter attends to the discussion of how successfully governmentality can be adopted to the study of the global. The excitement surrounding the governmentality approach and its applications to studying international politics has yielded further applied theoretical approaches for study of specific issues within international politics. One such approach, developed by Ilcan and Phillips (2006) is “global developmentality”, developed for the specific purpose of studying the contemporary politics of international development. Hence, the second part of chapter 2 discusses the application of the developmentality approach in examining the World Bank’s knowledge ventures.

**Chapter 3 (Historical Background):** This chapter provides the historical foundation, critical for this project. It is divided into two parts. The first part of the chapter provides a discussion of the circumstances under which the World Bank was created as part of the Bretton Wood Institutions in 1944. Further, it highlights the evolution of the Bank and its various roles since then until the adoption of the new and alternative development agenda. Particular attention is paid to the nature of changing roles and adoption of new and controversial objectives and accompanying agendas that make the Bank an important player in the politics of development. The second part of the chapter examines the Bank's decades spanning role in development research and in promotion of a staunchly neoliberal agenda for development research. The key objective of this discussion is to highlight the contradiction that exists between the Bank's new coordinating and facilitating role as a knowledge bank and its old continued role as a development research agency.

**Chapter 4 (The Inception of the World Bank's Knowledge Ventures):** Chapter 4 is the first in the series of two chapters that present a discussion of the primary literature studied in this project. Using discourse analysis, the available literature is deconstructed to understand the rationale behind the inception of the knowledge ventures, the conceptualization of the vision for the knowledge ventures and the mechanisms of institutionalizing the K4D initiative. The discussion is partly descriptive explaining concepts and approaches employed by the Bank to justify its knowledge ventures and partly analytical, highlighting how such concepts and approaches are problematic. The objective is to show how such concepts and approaches constitute a way of reasserting the neoliberal economic order.

**Chapter 5 (The World Bank's New Knowledge Fiefdom):** Continuing with the analysis of primary sources from the previous chapter, this chapter provides a brief overview of the organization of the Bank's knowledge management program. It studies the conceptualization of some of the Bank's flagship programs and projects (purposely selected of course for obvious reasons) and briefly reviews their activities. The purpose is to understand how such programs and projects can act as locally situated, distinct sites of power production to reinforce the dominant neoliberal economic order. This chapter concludes that these various programs and projects acting individually and distinctly

constitute a larger knowledge fiefdom (of the World Bank) that helps to sustain and advance of the neoliberal economic order across the globe.

**Chapter 6 (Conclusion):** The chapter sums up the concluding remarks that reiterate the importance of this project and situate its relevance in the politics of international development.

## Chapter 2: Theoretical Framework

The primary objective of this project is to uncover the World Bank's intentions behind the creation of the K4D initiative. Is this a step toward actual reform that is to benefit poor countries? If not, then what are the alternative intentions behind the creation of the K4D initiative? Given the seriousness and commitment with which the Bank has publicized the K4D initiative and integrated it into its everyday operations, the strategy must serve a *purpose* that is of utmost importance to the Bank. This chapter develops with the assumption that this purpose is the *raison d'être* of the institution (since the rise of neoliberalism during 1980s), which is the establishment of a global neoliberal order. The K4D initiative is a new mean to help achieve the dominant neoliberal order, albeit in a more complex yet subtle manner. This chapter uncovers the mechanisms behind the functioning of the new knowledge strategy and how they impact the politics of development.

The K4D initiative is a complex venture, which contains a number of individually adopted initiatives that work in an interconnected fashion to create a mechanism of governing development knowledge. I call this mechanism the global development knowledge governance technique and see it very much as part of the overall global governance system that has been publicized (since late 1990s) by international organizations such as the World Bank, IMF and UN agencies. An entire sub-discipline dedicated to the study of "global governance" exists in the field of international politics. Global governance is discussed in the context of global and institutional politics, economics and international finance, climate and environment. The thrust to regulate, codify, standardize, or at least coordinate these various sectors globally through a set of fixed practices, is at the heart of the global governance agenda. Efforts to bring information and communication (through information management and technological capacity building) sectors within the realm of global governance are also underway. Global knowledge governance is the most recent addition to the broader agenda of global governance. However, global knowledge governance should not be equated with global information and communication governance, since the latter is mostly a component of the former. Global knowledge governance primarily encompasses three mechanisms: 1) the global information, communication and technology (ICT) governance which mainly includes information management, sharing and technological capacity

building (in terms of infrastructure); 2) the creation of the knowledge-driven economy (or knowledge economy) that is based on a new form of capital, knowledge; and 3) the mechanism of capturing knowledge in a decentralized manner at the grass roots level through employment of concepts such as participation and empowerment and transporting it above to centralize it at the top level.

How do these three mechanisms apply to the politics of development? The World Bank has argued that the information age<sup>46</sup>, produced as a result of the ICT revolution, is *the* era of development (as prominent across the WDR 1998/99). This information era marks the dawn of the knowledge-driven economy where knowledge is the new capital. This new capital will drive the twenty-first century global economy and those who can most suitably utilize this new capital, would stand to gain maximum from it (Stiglitz, Knowledge in the Modern Economy 1999, 38-39). In fact, according to the Bank, this new phenomenon is the only missing step necessary for poor countries to free themselves of their underdevelopment (World Bank 1999, 1). The Bank considers this the right time and opportunity for poor countries to invest heavily in building appropriate technological infrastructure and acquiring necessary tools to cope with the global ICT revolution (Stiglitz 1999a). Further the Bank argues that, policy shifts also need to be made domestically and governance functions need to be integrated with ICT mechanisms. This would help speed up the development trajectory of poor countries (World Bank 1998/99). The Bank is also quite willing and open to lend poor countries the financing required for this heavy investment (an expanding debt portfolio is hardly a disqualifying condition for such loans).

These demands (or cautionary suggestions as the Bank calls it) only indicate that the Bank is very much at the core of the global knowledge governance. What is the purpose of this new governance mechanism? As Foucault would agree, knowledge and power are always in a binary. Knowledge and power coexist and constantly reproduce each other (Foucault 1991). It is therefore, hardly possible to overlook the notion of power existing within global knowledge governance mechanism. In fact, this chapter contends that global knowledge governance embodied within the K4D initiative, is a new mechanism through which the Bank exerts power, although in a more indirect manner. The Bank has indeed undergone a reform. It has transformed itself into a knowledge bank, which utilizes the global knowledge governance mechanisms to

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<sup>46</sup> Also popularly known as the ICT era, digital age and so on and so forth.

refuel the wheel of power politics in the Bank-Global South relationship. Above all, the ultimate objective of this reform is not to create a more equitable and just system but to establish and sustain a global system of neoliberal economic order.

## **2.1 Construction of the Theoretical Framework**

The theoretical framework for this project built from the notion of “governmentality”, i.e. the art of governing, offered by French Philosopher Michel Foucault. This section dedicates itself to examining the various “apparatus” set up by the Bank to govern global development knowledge.

Foucault first coined the concept of governmentality during 1970s. Governmentality, can be understood as a governing mentality - that is the various means by which a subject(s) is governed. Foucault offered it as a distinctive theoretical approach to develop a deeper understanding of power politics. The distinctiveness of governmentality lies in the fact that it offers a perspective into the unconventional mechanisms by which power may be manifested between the governed and the governing agents. This is why Foucault defined governmentality as an “activity that undertakes to conduct individuals throughout their lives by placing them under the authority of a guide responsible for what they do and for what happens to them” [quoted from Foucault 1997, 68 in (Rose, O'Malley and Valverde, Governmentality 2006, 84)]. This art of governing is applied through a combination of “techniques and procedures” to monitor and manage the behavior of the governed population. Foucault envisioned government as a “contact point” where “techniques of domination” (or power) and “techniques of self” intersect with each other. The “technologies of domination of individuals “ produced as a result, lead the individual to act independently although in a way where their activities are an integral component of the “structures of coercion” (Burchell 1993).

I find Foucault’s notion of governmentality most significant and useful in explaining the subtle and indirect manners by which the governing body is able to conduct and control the “conduct” of the governed. This is why the application of governmentality to this project seems so appropriate. Through the application of this theoretical approach, I hope to demonstrate that

the World Bank's K4D initiative is an art of governing, through which the former has installed a variety of subtle and indirect methods of controlling the conduct of the governed population (most prominently the civil society sector and also to some extent the governments of poor countries). Through this theoretical discussion I will uncover the techniques that are applied through the employment of the K4D initiative by the Bank to formulate appropriate rationalities. These rationalities are then exploited by the Bank to intervene in poor countries and control the conduct of non-state (mainly civil society) actors and to a certain extent the state actors. The objective of this is to maintain the Bank's status quo in the politics of development to pursue the broader project of establishing a global capitalist system.

But before I delve into this discussion, I would like to digress slightly to attend to some important considerations that are integral to the construction of this theoretical framework.

### **2.1.1 Extending governmentality to the global sphere**

The first consideration in the present context is to understand the suitability of applying the governmentality approach to a case, the politics of which prevails on an international stage rather than a domestic or local one. Foucault conceptualized governmentality mainly to develop a more thorough understanding of "excessive governing" he found to be prominent in nineteenth century liberalism (for example, German liberalism during the twentieth century, post-war welfare politics and such). Through the lens of governmentality, he tried to examine the many methods governments employed to control the lives of citizens or a collective population and the rationalities the latter applied to justify this excessive governing (Rose, O'Malley and Valverde, *Governmentality* 2006, 84-85). In that sense, the majority of Foucault's own work and that of the works of Foucauldian scholars capture the application of governmentality on a domestic scale (i.e. within the internal sphere of activities of an individual state). This is evident in the scholarship produced by prominent Foucauldian scholars such as Mitchell Dean, Peter Miller, Nikolas Rose, Andrew Barry, Thomas Osborne, Barry Hindness, Thomas Lemke, Bob Jessop, Graham Burchell among others who have adopted the governmentality approach to study the politics of welfare state and liberal governance. The adoption of the governmentality approach to study international politics has been more recent; hence concerns exist regarding the suitability of this approach, for the study of global politics.

Fortunately, during recent years, the governmentality approach has gained much popularity among scholars studying international politics. As “excessive governing” has become a prominent notion in contemporary international politics – mainly because of the appearance of concepts such as various global governance (in the economic, political, social and environmental spheres) mechanisms and the phenomenon of international standardizations and benchmarking through the application of number of global indicators, regulations, codes – discussions surrounding “global governmentality” have come to occupy a center stage in this field. The conceptualization of global governmentality should also be contextualized in light of contemporary events surrounding globalization and the role that international organizations have come to play in the politics of globalization. The increasing importance of international multilateral organizations such as the IMF, the Bank, the UN agencies as governing and regulating bodies on a global scale is hard to ignore. Therefore, under the circumstances, extending the study of governmentality to the realm of international politics could offer a new approach(s) to thinking about how power is exercised and applied by various (global) authorities on an international scale. The existence of particular scholarship such as *Representations of Poverty and Global Governmentality* (Rojas 2004), *Poverty Reduction and the New Global Governmentality* (Joseph 2010), *Examining the State: A Foucauldian perspective on international “governance indicators”* (Lowenheim 2008), *Governmentality: Towards a Foucauldian Framework for the Study of IGOs* (Merlingen 2003), *Developmentality: CDF and PRSP as governance mechanisms* (Lie 2007), *Global governmentality: governing international spaces* (Larner and Walters 2004), *Global civil society and global governmentality: Resistance, reform or resignation?* (Lipschutz 2005), for example are evidence of the elevated status that the governmentality approach has come to occupy in the study of global politics, particularly global poverty and inequality. The contributions of Larner and Walters (2004), Lipschutz (2005) and Rojas (2004) are of particular significance since they coined the term “global governmentality” (approximately around the same time) and helped formalize the concept.

### **2.1.2 Applying global governmentality to this project**

What is so appropriate about the global governmentality approach? Larner and Walters (2004) argue that global governmentality goes beyond the simple study of “globalism” and helps



to identify the “political rationalities and technologies of imperialism, internationalism, cosmopolitanism and much else besides”. Further it helps to “problematize the constitution, and governance of spaces above, beyond, between and across states” (Ibid., 495). This approach distinguishes itself from the rest of the approaches of studying international politics because it is able to identify the less apparent governance mechanisms and examine the methods by which these mechanisms are applied subtly to overcome the politics of state sovereignty (Ibid.) and international institutions that is so often cited as an evidence to the lack of real power existing within international governing bodies (such as the Bank for example). It is interesting to think about how power is produced and exercised by unconventional non-state actors to control the conduct of state actors in international spaces. How state sovereignty is undermined on a regular basis in various ways without provoking adequate concern from state actors is one of the indispensable ways in which global governmentality helps to think about global power politics.

Lipschutz (2005)’s work on applying governmentality to enhance the understanding of global civil society and its functioning complements Larner and Walter’s conceptualization appropriately. He suggests that “[governed] populations are both the products of the system of governmentality and, through their normalized actions, (re)producers of that system” (Ibid., 173), therefore “the world’s riot of global civil society organizations and social movements, international organizations and associations, transnational corporations and business associations, and even democratic market government, all constitute agents of global biopolitic seeking to further human progress and welfare” (Ibid., 174). This is particularly relevant in understanding the role that various “partners” of the Bank (or stakeholders as the Bank wishes to call them) play in institutionalizing and operationalizing the K4D initiatives globally. For example, the civil society sector (both locally and globally), to a large extent exists to ensure accountability on the part of formalized governing bodies such as state and international organizations (Naidoo 2003). Civil society organizations participate in the knowledge initiatives with the aim to introduce alternative and critical thinking in the discourse. To what extent they are actually able to achieve this goal - especially given the efficiency with which the Bank has integrated them into the latter’s knowledge apparatus (collecting, disseminating or rather “preaching” for the lack of a better term) – remains to be seen. In line with Lipschutz’s suggestion, I would certainly consider civil society actors as a classic example of “reproducers of the system” in the broader context of the Bank’s neoliberal knowledge projects.

Rojas (2004) contribution to the governmentality literature is most useful to this project as it enhances our understanding of international aid as the rationality for further intervention by international organizations in the domestic spaces of poor countries. She contends that “aid to poor countries is a mechanism of global government” because international aid is a governing mechanism derived from a particular image of the global South, an image that suggests that poor countries are in need of being managed and governed, therefore “converting [aid] recipient countries into subjects of intervention and donors into their natural rulers” (Ibid., 97). How is this relevant to this particular project? I suggest that the discourse on aid intersects with the discourse on development knowledge. It is difficult to ignore the paternalistic mentality of “need to manage and educate” on the part of the Bank that is so obvious in the institution’s knowledge initiative (and everything else it does in the context of international development). The Bank justifies the launch of the development knowledge management and sharing initiative on the grounds that mutual sharing and learning (obviously facilitated by the best and most experienced expert – the World Bank itself – in the field of international development) would only enhance development administration among experts and practitioners. But at the same time, by controlling the knowledge collection and dissemination process and utilizing such knowledge for its own purposes the Bank also holds the power to problematize the realities of a population, construct specific images of poverty and therefore necessitate the intervention of international institutions in the domestic political spheres of the poor countries (Ibid., 99-100).

So far in this discussion, I have tried to briefly explain the suitability of the governmentality approach. My main aim has been to address concerns that may emerge with regards to the application of governmentality on a global scale, especially as a theoretical approach that is more often applied in the context of governing bodies within the traditional state boundaries. How does the governmentality approach contribute to this specific study? Three prominent features of the governmentality method of analysis are of particular importance to furthering an understanding of the Bank’s knowledge project. These are – 1) understanding how this approach allows us to think about the methods by which external actors exert power in an arena normally considered the sphere of domestic politics (that is an international actor’s ability to intervene in the domestic politics of a developing nation without evoking substantial opposition from the state); 2) how non-state actors (such as civil society organizations, a critical

player in the politics of development) within a state can be manipulated to become reproducers of the existing power hierarchy put in place by international actors (such as international organizations); and 3) how international actors can construct problems and therefore generate rationalities to sustain their (interventionist) governing mechanisms in developing countries.

Having attended to these considerations (that help justify the application of the global governmentality approach to this study), I will now turn to the discussion of applying global governmentality in the particular context of international development. The overall project of global knowledge governance that the Bank has engaged in reflects prominent features of a global governmentality project. However, to acquire a sufficient understanding of the intricate rationalities offered by the Bank to justify this project and the various technical mechanisms employed to oversee and manage the project, I wish to apply the notion of “global developmentality” to further this theoretical discussion. Situated within the framework of the Foucauldian notion of governmentality, “global developmentality” helps examine the integral components of the knowledge initiatives that make it possible for a governance project such as that of the Bank’s to exist.

## **2.2 Developmentality and Global Knowledge Governance**

This section serves two specific purposes and is divided into two sub-sections. First, it provides a concise understanding of the concept of “developmentality” and very briefly delves into the discussion of why developmentality is a suitable approach to study the Bank’s knowledge governance efforts (especially compared to governmentality); second, it outlines the rationality (“development as a rationality of government”) that is created by the Bank and the mechanisms (“expertise”, “informational profiling” and “knowledge networks”) that are furnished to satisfy the rationality that is a prerequisite for the sustenance of a global governance project.

### 2.2.1 Developmentality

The growing relevance of the theoretical approach of governmentality in the study of international politics has led to the rise of few new theoretical concepts such as “developmentality”, “eco-governmentality”<sup>47</sup> and “environmentality”<sup>48</sup>. These concepts are founded on the basic principles of governmentality; however, they have been developed for the analysis of specific kinds of contemporary political problems: such as the politics of international development, politics of social interactions in the natural world, and the politics of environmental governance respectively. While essentially embedded in the theory of governmentality, these approaches take forward some of the compelling components of the governmentality concept – such as rationality, technicalities, role of expertise – and develop them further in the pertinent context to form a more practical approach to political analysis of specific issues.

The concept of “developmentality” was first introduced by sociologists<sup>49</sup> Suzan Ilcan and Lynne Phillips at the “Technocracy@Development Conference” in the Netherlands in 2006. The logic for introducing the concept of developmentality arose to better understand the phenomenon of how international and/or multilateral organizations had come to manage “the conduct of persons, activities, and spaces through diverse authorities, knowledge expertise, and arenas of calculation which aim to solve certain problems on a worldwide scale” (Ilcan and Phillips 2006)<sup>50</sup>. Therefore, developmentality examines the bureaucracy of technical experts that has become increasingly prominent in the present politics of international development. How does such bureaucracy apply universal notions of their expertise to develop various mechanisms of exercising power over local territories and / or state, is what the developmentality approach helps to uncover. To elaborate on this further, developmentality encompasses:

... the formation of **forms of specialized or expert knowledge, responsibility schemes,**

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<sup>47</sup> Eco-governmentality is also referred to sometime as green governmentality and became a popular concept during mid 1990s. Scholars such as Paul Rutherford, Eric Darier and Timothy W. Luke applied this concept to understanding contemporary problems in environmental politics such as resource management and state, and economic construction of environment.

<sup>48</sup> Coined first by Arun Agarwal in “Environmentality: Community, Intimate Government, and the Making of Environmental Subjects in Kumaon, India” published in *Current Anthropology*, Vol 46 No. 2, April 2005. This was also followed up by the publication of the book *Environmentality: Technologies of Government and the Making of Subjects* (Duke University Press) in the same year.

<sup>49</sup> Both Ilcan and Phillips are scholars engaged with the department of Sociology and Anthropology at University of Windsor, Windsor, Canada.

<sup>50</sup> As a conference presentation, the manuscript was directly acquired from the authors and therefore page numbers are specific to this document and may not match published version.

and **knowledge networks** as they are embedded in various development programmes and assumptions that aim to govern social transformations, and; (second) to the types of global organizations or agencies involved in development efforts to shape social transformations “at a distance” and beyond the state (Ibid) (emphasis added).

These various mechanisms of exercising power and control are a result of the application of special forms of knowledge through a variety of knowledge networks to create a number of responsibility schemes that fundamentally alter the socio-political reality of the population being governed (Ibid.).

Drawing from Foucault’s work on governmentality (1991), the core principles of developmentality are that government “[consists] of calculated and rationalized activities undertaken by authorities and agencies employing various kinds of techniques and knowledge designed to shape conduct”. Foucault liked to explain governmentality as governing mentality, i.e. as an art of governing. Ilcan and Phillips explain developmentality as a “mentality of rule that reworks imagined spaces and populations and connects them to a programme, while at the same time supplying them with new objectives aimed at social transformation” (Ilcan and Phillips 2010)<sup>51</sup>. If we may suggest developmentality to be an art of governing or a rationality for international development, two specific mechanisms constitute this developmentality. First, identifying and formulating (or constructing) problems through the application of expertise and offering solution to address those problems; second, causing social transformation of the governed space and population *from a distance* (the italicized phrase being the operative focus in this case) (Ilcan and Phillips, Global Developmentalities 2006) .

Developmentality would therefore envision international organizations / global development agencies (the governing body in this case), drawing on the enormous body of specialized knowledge they possess (acquired through creation and collection), identifying and constructing new problems and then offering answers to those problems in the form of development programs, policy suggestions, and technical consultancies. This is made possible by the employment of a number of expert professionals who draw from this specialized knowledge to construct a particular image of the subject and the subject’s problem(s). This process is called “technologies of government” and it helps to achieve certain predetermined outcomes. How do

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<sup>51</sup> Manuscript acquired directly from authors as article was “in press” during the time of writing. Therefore page numbers may not match published version.

technologies of government operate? A variety of calculative practices and special forms of knowledge are applied to construct a specific population or territory as problematic (i.e. in need of development) in relation to a dominant theory or program (in this case neoliberalism). Next, a particular set of goals are designed that need to be achieved in order to successfully address the problem (Iltan and Phillips 2006).

A brief and simpler example might be the World Development Indicators (a *universal* set of benchmarks) published annually by the World Bank. Based on special forms of knowledge and typical calculative practices drawn from dominant economic theories, experts within the Bank rank populations in different categories. Depending on where a population ranks in these categories (such as level of education, health conditions, access to clean water and sanitation, hunger and malnutrition and such), different levels of poverty are attributed to different ranks. Poverty is thus constructed in a peculiar manner. Depending on the level / nature of poverty attributed to these various categories of populations, appropriate development programs are designed by expert professionals employed by the Bank to custom address the specific needs of the populations. Although such programs are claimed to be customized to the specific needs of a poor country, such customization remains questionable given the universal standards and benchmarks that are applied to construct such poverty. The goal of these programs is to ensure they meet the targeted benchmarks that are set by international organization such as the Bank using special forms of knowledge. Failure of such customized programs to deliver is blamed on various factors – the population, the state, and on any relevant uncontrollable realities – except the international organization itself, which design them (or oversee / approve the final design, as in the current context of PRSPs). The failure to meet targeted benchmarks sets in motion another round of customized program creation by the Bank's experts, thus constantly reconstructing rationalities and justifying new means of intervention (from a distance) in the politics of the poor state.

Examples such as the above exist in ample supply in the critical discourse surrounding the politics of international development. But that is not the concern for this theoretical discussion, rather, the credibility and legitimacy that are attached to such experts, the special forms of knowledge, and the rationalities they produce using such knowledge is the primary focus of this discussion. Therefore, in the following sections, I will closely examine two specific notions in the

context of developmentality: 1) special forms of knowledge or simply expertise and information profiling (Iltis and Phillips, *Developmentalities and Calculative Practices: The Millennium Development Goals 2010*) and 2) global governance networks or simply knowledge networks (Iltis and Phillips, *Developmentalities and Calculative Practices: The Millennium Development Goals 2010*, Iltis and Phillips, *Governing through Global Networks: Knowledge Mobilities and Participatory Development 2008*).

### **2.2.2 Expertise and information profiling**

International organizations very often play a distinctive role in the politics of international development. They present themselves as experts who have acquired special forms of knowledge and have at their disposal unique tools and resources to design programs that can resolve the development challenges of poor countries. There may not be much recorded evidence to support this assertion of expertise, but the undertone of indispensability that exists in posing as an expert “counselor” to developing countries is hard to disregard. The international organizations’ obsession with designing development program and projects has been an integral part of the politics of development. This is why Escobar (1995) observes that producing special forms of knowledge and offering them to developing countries, as part of the “development machinery” has become a way to maintain power over developing countries. Hence, in this section, I will explore the dynamics of expertise and information profiling as they are articulated in keeping with developmentality and applied by international organizations over developing countries as a power-wielding mechanism.

What do Iltis and Phillips mean when they consider expertise and information profiling as “apparatus” of developmentality? Although both carry somewhat similar meanings, they differ slightly from one another. Expertise is primarily understood as “certain types of empirically-based expertise and groups of “expert professionals”. For example, professionals and experts belonging to the field of agricultural economy, agronomy, demography, nutrition and development planning (Iltis and Phillips, *Developmentalities and Calculative Practices: The Millennium Development Goals 2010*) would represent such “expert professionals” and the knowledge they embody would represent “expertise”. They have “shaped the terrain on which new development agendas emerge” (Iltis and Phillips, *Global Developmentalities 2006*) (Iltis

and Phillips, *Global Developmentalities* 2006). How has this terrain been shaped? Experts are responsible for identifying specific local realities as problematic from the perspective of their own professional expertise. For this, they design calculative practices drawing from their expert knowledge to manufacture justifications for governing a wide range of activities such as agriculture, education, poverty reduction and health. For experts, the main tasks are to classify and rank populations, territories and state (for example, the human development index). Information profiling goes one step further:

Information profiling for development **aims to govern the utility and appropriateness of some information for development plans than others** ... categorize[s] certain forms of information as unfit for meeting the tasks at hand. ... **human beings have been discovered and rediscovered as creatures whose conduct can be subject to investigation and classification.** This classification has highlighted their belonging to a particular “population”, “industry”, “territory” or “region”. ... these sites are created as discrete, empirical spaces that are correlated with changing variables such as nutritional status, GNP, and genetic endowment, and enmeshed in Western scientific practices, such as statistics. ... **within this frame that development information and knowledge experts continue to reinvent particular spaces of development as barriers to successful investment, as threats to the world’s ecosystems, and as “indicators” of global planning needs.** ... crucial here is not only the constitutive role of information profiling but **also the way in which it is endowed with a significance that extends beyond the nation-state and the immediate goals to which it is put** (Ilcan and Phillips 2010, 10-11) (emphasis added).

A prominent example of information profiling is the continuous and annual collection of information that the Bank and other international organizations (such as UNDP) conduct which seemingly gives the impression of recording progress but is actually a methods of “discovering and rediscovering” problematic population. Through this process of rediscovering, new definitions of problems, new assessment methods, new analytical approaches to problem solving are offered.

Rose has emphasized the need to pay attention to the “history of problematization”, that is thinking about the ways and means by which development is constituted as a problem and how this affects the way development is understood, explained and dealt with. Linking development to various statistical measures and calculations is merely an effort to overlook the politics of unequal socio-economic relations that may have given rise to the problem on the first hand (Rose, *Expertise and the government of conduct* 1994). Constituting a certain population, territory or state as a problem allows experts to not just modify the nature of the problem as and when



required but also continue to invent new methods, techniques, definitions and apply them to seemingly examine the problem from new perspectives. Such statistical expertise is often perceived to be benign and harmless by non-experts especially when designed and applied by experts sitting thousand of miles away from the target territory or state. They are not seen as intervening in the local politics of the territory or state let alone as a direct intervention method with a pre-determined objective.

The Bank's evolution into a global development knowledge bank and declaration of being a knowledge storehouse certainly provides the organization with an upper hand in applying expertise and information profiling to shape the agenda of international development. Development experts employed and / or contracted (if third party) by the Bank apply their expertise to collect local knowledge through various processes and initiatives (institutionalized in the knowledge initiatives as discussed in the previous chapter). This collected local knowledge is next integrated with the global development knowledge (which remains with the Bank, the institution being the epicenter of such knowledge because of its sheer experience and expertise) and fundamentally transformed to serve several pre-determined objectives. This integrated knowledge is next applied to measure the progress of development of population, territory or state and helps to further problematize the local population. What is constituted through the successful achievement of these three processes is a vicious cycle, which continually necessitates proposing a sustainable solution and justifies further intervention.

The thrust for acquiring local knowledge through various knowledge programs (essentially knowledge networks which I will address shortly) prominent in the current framework is a way of integrating the local into the global and institutionalizing this new knowledge into special forms of knowledge (or expertise), indicators, benchmarks and such. It is difficult to consider such overtly scientific and seemingly ethical methods of collecting local knowledge as having any pre-determined agendas. But it is this explicit emphasis on scientific procedures and ethical means (participatory approaches, "putting last first") of collecting knowledge that lends legitimacy to these practices and de-politicizes them. The ability to present knowledge collection as a scientific method devoid of any political intentions is the primary task that the various knowledge initiatives help to achieve. Next, behind the rhetoric of giving a voice to local actors and prioritizing their indigenous knowledge, such knowledge is integrated into the

global development knowledge and fundamentally transformed in ways that is conducive to the Bank's neoliberal agenda. Integrating local knowledge with the global is a fascinating yet subtle way of universalizing the specificities that may exist in such local knowledge. The universal nature of this global development knowledge can then justifiably be applied to construct statistical measures, which are then applied worldwide to measure poverty. While local actors remain satisfied that indigenous knowledge has been utilized to assess their local realities, the Bank has conveniently succeeded universalizing the statistical representation of local poverty. While misinformed, local actors remain highly receptive to the Bank's diagnosis of their local realities. This universalized poverty is next ranked and classified using universal standards set by the Bank, following which "universal formulas" are applied to prepare "customized poverty" reduction prescriptions. Hence the unspoken justification: a universal solution for a universal problem.

Expertise and information profiling by various international organizations (such as the Bank, the Fund and so forth) is an increasingly prominent feature of contemporary international politics. Such techniques are used to shape development agendas and are behind every decision that is made at any level in the politics of development (international, state, regional or local) and most importantly help international (neoliberal) organizations remain relevant to international development by constantly reinventing new goals and reshaping the politics of development. Indeed, they are an integral component of the developmentality that governs the realm of global development knowledge. However, expertise and information profiling is further complemented by the rise of knowledge networks in international organizations (most prominently the Bank), which help influence local development practice by channeling special forms of knowledge (expertise and information profiling) to local actors. Simply put, if expertise and information profiling influence agenda shaping and decision making, knowledge networks are channels through which such agendas and decision making is mobilized for purposes of actualization. In the next section, I have tried to tackle the issue of knowledge networks and how they have come to be the newest sites of global (knowledge) governance.

### 2.2.3 Knowledge networks as global governing networks

The adoption of a new and supposedly alternative framework for development along side scientific advancements made in information technology revolution made it possible for international organizations such as the Bank to create networks for development knowledge sharing. The sudden exponential growth in the number of knowledge networks in the area of international development can be attributed to two main factors. First, the rise of the new and alternative development agenda where the concept of governance has gained much popularity among international (neoliberal) organizations and second the appearance of growing number of civil society organizations since early 1990s in the politics of development and their rise to the position of key players in the practice of development service providing. But what is the connection between these two types of actors – international neoliberal organizations and civil society actors – and knowledge networks for development? Ilcan and Phillips (2010) argue that knowledge networks form a crucial rationality of government by

**defin[ing] the objects of development, codify[ing] explicit ways of dealing with these objects, identify[ing] the groups and agencies involved with development efforts** and delineate the broader plans and objectives of knowledge sharing as well as the strategies used toward achieving broad-based development goals. **Knowledge networks for development involve many different groups to achieve market development success and “sustainable development”** ... (Ibid. 22) (emphasis added).

As part of the knowledge management and sharing program, the World Bank has created several knowledge networks that bring together state as well as non-state actors such as civil society organizations, private firms, research institutes, media partners, individual practitioners and activists and such. As actors with a (seemingly) common vested interest in promoting international development, knowledge sharing through these networks is perceived to be of mutual benefit for this group of actors. Additionally, such knowledge sharing also appears to be benign and harmless (for two reasons – 1) the failure to account for knowledge as an agent of political transformation and 2) the apparent openness that is evident on the part of the Bank, an organization earlier perceived to be less transparent and more closed to public scrutiny). However, this is hardly the case. Contrary to expectations, these knowledge networks help “mobilize knowledge within, across, and beyond nation-states” (Ilcan and Phillips 2006, 11).

How is this achieved? These networks “use a specific corpus of procedures, techniques, and vocabularies, or, more generally, technologies of government to shape the conduct of others”

(Ibid.). The sole purpose of knowledge networks, therefore, is to bring together a collective group of actors under one umbrella for ease of managing (and controlling) their activities. Such governance is actualized through the mechanism of knowledge sharing. Knowledge networks are designed to have manifold purposes and try to govern several actors or groups of actors (at the same time) by introducing them as participating and contributing members of these networks. The advantage of governing through a knowledge network is that it is mobile enough to easily transcend territorial and / or state boundaries (hence actually governing them from a distance) and therefore can bring together a variety of actors irrespective of regional, formal / informal (state vs. non-state), and professional specialties. At the same time, by bringing a variety of groups and organizations – each with its own development agenda and unique set of activities – under one roof, it is possible to simultaneously govern these organizations with minimal effort on the part of the governing body. Knowledge networks are ideal for shaping and influencing agendas and activities of organizations (or stakeholders as the Bank would call them) with minimum effort by the governing body while at the same time sending out an uniform message to each and every one of the participating organizations (i.e. the governed body) (especially significant for an ideological transformation). The ability of international organizations such as the Bank to shape the activities of other stakeholders in the development community on a global scale (with minimal direct involvement) is what has given rise to this shift to governing through knowledge networks in the area of international development.

An important question that emerges at this juncture concerns the kind of knowledge that is mobilized through these networks. Would it be too far of a stretch to imagine that these knowledge networks have been set up to facilitate the movement of a specific type of knowledge?

The nature of knowledge mobilized through these network is of utmost concern because the development knowledge mobilized through these networks is largely influenced by the neoliberal philosophies to which the Bank subscribes. This is clear from the way these networks are structured, funded, governed and most importantly the kind of activities in which they are engaged. The extent of involvement and supervision that the Bank continues to maintain in what it claims to be “independent” and “autonomous” knowledge networks makes it tough to consider these networks as neutral, reasonable ground for open intellectual and practical discussions on variety of issues related to international development.

The majority of the knowledge networks (such as thematic groups, advisory services) established / promoted and /or housed by the Bank are headed and / or administered by World Bank staff, i.e. knowledge managers. Further, these networks maintain that their membership constitutes participation from pertinent experts and practitioners around the globe. Membership of these networks is not always open to all and majority of the experts and practitioners participate in these networks through formal invitation. Even as experts, each new participant in the group is “mentored” by Bank staff to familiarize themselves with “sector strategies, lending procedures and key professional contacts” (Pommier n.d.).

The Bank has established a number of knowledge networks in the form of research institutes, think tanks and non-profit organizations. The funding sources of these networks are a major concern for this project. Majority of them were established with Bank funding and some of them still continue to be supported by the Bank (e.g. DG, *infoDev* and so forth) (Wilks 2001, Pommier n.d., Assié-Lumumba 2008, *infoDev* 2010). It is a known fact that many of the members of the governing boards of these organizations secure such positions through contribution of enormous sums of donations to these networks (for example DG and *infoDev*) (Development Gateway Foundation 2008, Jha, Seymour and Sims 2004). The inability of civil society organizations or other forms of groups and organizations (with relatively limited financial capacity) in developing countries would in this case limit their participation in the governance of such knowledge networks (Wilks 2001). Many of the knowledge networks, which are most highly publicized by the Bank as success stories (GDLN, GKP, DG and such) have limited to no representation from the civil society sector in their governing boards. This brings into question the openness, accessibility and opportunities for participation that these knowledge networks claim to stand for. Networks such as Global Development Network, Global Knowledge Partnership – created within the Bank with headquarters in Washington D.C. and later relocated to various cities of the Global South (such as New Delhi in India and Kuala Lumpur in Malaysia) - still have senior World Bank officials on their governing board even if the Bank claims that the former are spin-offs and presently autonomous organizations. Multinational private firms and senior officials of such organizations are also members of governing boards of many organizations that lead knowledge networks (such as Development Gateway Foundation, DevForum and so forth). It is difficult to digest the fact that representatives of multinational

corporations, who stand to benefit considerably from the neoliberal market / trade principles advocated by the Bank would be genuinely interested in discussions of a more equitable and less exploitative development of the “Third World”.

While the organizational, governance and funding sources of the knowledge networks established by the Bank remain questionable, it is the activities of these networks that are most interesting. Knowledge networks are responsible for facilitating knowledge mobility across groups and organizations. This could happen in many shapes and forms. It is also not entirely out of the scope of such networks to engage in capacity building, research and educational projects. However, when such activities seem to take up majority of the focus of these knowledge networks, the existence of a broader and less apparent agenda becomes more fathomable<sup>52</sup>. In this sense, I would like to point out some observations: 1) almost all the ventures (that is the prominent and most frequently recommended ones by the Bank itself) discussed in the previous chapter engage in some form of capacity building through knowledge sharing and facilitation. Capacity building need not necessarily be a bad thing however, when such capacity building begins to heavily emphasize learning and innovation as a key component, it is definitely of concern. The creation of research institutions and virtual universities (such as World Bank Institute or WBI and African Virtual University or AVU), which pride themselves on providing customized knowledge, learning packages, packets of information, research and policy consultation should not be underestimated. These ventures and their activities do not seem very different than that of the activities of the lending divisions of the Bank. Who determines what is the scope of learning for participants of these networks (even if the participants themselves identify their knowledge needs), who designs these consultations and learning packages, what kind of information is included or omitted from them, what kind of ideological fundamentals are such information grounded in, are simply few of the questions that arise. Another prominent activity of many of these knowledge networks and organizations hosting such networks is providing distance-learning programs (both WBI and AVU have these). Such programs are active in providing a variety of learning material and training tools to the learners but to what extent

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<sup>52</sup> I must point out that I do not have any means available to myself to quantify what percentage / proportion of the knowledge networks engages in capacity building, research and educational objectives. Neither can I provide a measure of what percentage of resources within a singular knowledge network is attributed to such engagements. My speculations are purely based on the qualitative assessment conducted through review of primarily literature and therefore they may have their own limitations.

such learning material expose the learner to development (and ideological) perspectives beyond just the ones advocated by the Bank is again a significant concerns.

### **2.2.4 Facilitating and monitoring or shaping and controlling?**

It is therefore evident that the Bank's knowledge ventures are not just a way to facilitate and monitor global development knowledge flow but in doing so, also shape the development agenda and control the Third World. By transforming itself into a global knowledge bank and creating the K4D initiative, the Bank has created a new knowledge fiefdom. The sole objective of this knowledge fiefdom is to facilitate and monitor the unidirectional (from Global North to Global South) flow of neoliberal development knowledge. The failure of the earlier development agenda has necessitated the Bank to reflect on two things: first, identify a way to continue its dominant neoliberal project without much direct opposition and criticism and second, search for ways to bring reactionary forces (such as the global civil society movement of 1980s and 1990s) within its realm of power. Governing global development knowledge helps the Bank to achieve these objectives by fundamentally transforming socio-political realities at a local level (although without directly intervening). The Bank's knowledge venture must be seen as an effort to extend neoliberalism to the global sphere, albeit in indirect and subtle manners without provoking critical reactions.

## **2.4 Conclusion**

Two key concerns that emerge from the discussion in this chapter are – 1) the appearance of knowledge networks which serve two purposes: manage and control global development knowledge to shape the agenda and activities of stakeholders in the development community and provide new sites of power production and new ways of exercising power without delving into direct political intervention; and 2) the appearance of various calculative practices that utilize development knowledge to produce codes, standards and benchmarks that have come to characterize development in the recent decade. As part of the new development agenda, each of

these three phenomena is extremely powerful and significant because of the ways each has impacted the politics of development.

Having said that, how should one make sense of this transformation i.e. the change in how the business of international development is conducted? Could this transformation be seen as a case of advanced liberalism? The rise of neoliberal governments during 1970s in Britain and U.S. was accompanied by a sharp criticism of too much governing (too much regulation, too many welfare programs, “dependency and rigidity”) carried out by socialist regimes (Rose, O'Malley and Valverde, *Governmentality* 2006). This belief was extended beyond the domestic realm and became evident in the considerable push for deregulation and privatization that engulfed the practice of development during 1980s and 1990s. Even today it continues to be prominent, at least apparently. However, this may not actually be the case. In fact, the appearance of the phenomenon of global governance would indicate otherwise. Although neoliberalism emphasizes curbing government regulation and reducing the role of the state in the economy, at the same time it also “rationalizes” techniques of indirect government intervention in the economy. The rise of new forms of authority in the shape of expertise (discussed earlier) is an example of such reinvented rationality (Rose, *Government, authority and expertise in advanced liberalism* 1993). In fact, Burchell argues that neoliberalism appears unlike other forms of liberalism that have come to exist in the twentieth century. Neoliberalism situates the existence of market in an environment that is governed by a set of definitive “political, legal and institutional conditions” deliberately designed by the governing body (Burchell 1993). Further in this art of governing, the governed subject is not just an object at the receiving end of government’s actions but at the same time an important “accomplice” (and sometimes voluntary too) of government (Ibid). This can be situated in the context where private individuals, who stand to gain from the free market rationalities of the government, help the latter thrive. A further proof of this is the growing appearance of private actors as role players in development programs and the rapid rise in public-private partnerships in such projects. Alternatively, the same can be applied to civil society organizations who for various reasons (accomplishing organizational goals, actualizing political agendas and so forth) may knowingly or unknowingly become part of the apparatus of the government.

The purpose of highlighting this implicit connection of this project to the notion of advanced liberalism is fourfold. First, to increase awareness of the excessive governing principles



implicit within the notion of neoliberalism but not always publicly explicit. Second, to recognize that the discourse on international development has undergone a fundamental shift. It is no more situated (even rhetoric wise) in moral high grounds but rather has become an apparatus of extending neoliberal governmentality to a global scale. Third, to prepare to face the various ways the politics of international development is fast changing. And last, to be able to predict the newer and more sophisticated ways this notion of advanced liberalism may manifest itself in the context of international development in the near future.

## Chapter 3: From a Lending Institution to a Knowledge Fiefdom

*“The World Bank needs to examine its own knowledge system and how it is shaped by its peculiar institutional culture and by institutional power and politics. The World Bank is not a neutral or an honest broker of knowledge (Panos 1998) – most of its knowledge reflects a Washington-driven worldview. As a Knowledge Bank, it cannot but contribute to acquiring, storing, and disseminating this worldview.”*

- Lyla Mehta, *The World Bank and its emerging knowledge empire*, 2001

The Bank has been one of the foremost lenders and policy consultants to developing countries - on bureaucratic and technocratic matters concerning development - for more than six decades. During this time the Bank’s research activities and publications have grown steadily in volume and significance, becoming the backbone of policy and decision making among stakeholders of the development community. During this time, the institution’s research portfolio has also acquired a controversial status primarily due to its staunch subscriptions to neoliberal economic principles. Such principles dominate and drive the Bank’s research agenda, and hardly allow for a platform where alternative research and thinking can be promoted. It is, therefore, paradoxical for the Bank to assume the role of acquiring, sharing and managing development knowledge. More importantly, it raises questions about the nature of development knowledge that the Bank would broker. Would such knowledge allow for alternative thinking? And if not, what does this mean for the politics of development?

This chapter provides the historical context, which put the above questions at the core of this project. More explicitly put, this chapter provides a historical account of the World Bank’s evolution since its inception in 1944. This discussion helps understand how the Bank transformed itself into the largest and most relevant lending and research agency in the development community. Particular attention is paid to the Bank’s research activities in the years following the International Debt Crisis of 1980s and leading up to the launch of the CDF in 1996.

### 3.1 From Bretton Woods to Becoming the Global Development Agency

At present the World Bank group is the largest global development agency comprised of the International Bank for Reconstruction and Development (IBRD), the International

Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID). During fiscal year 2009, the World Bank group provided \$58.8 billion in loans, grants, equity investment and guarantees to its members and to private businesses in member countries. The Bank's commitments in 2009 had increased by 54 percent from that of fiscal year 2008. More specifically, in 2008 the Bank's Board of Directors approved \$32.9 billion in IBRD lending and \$14 billion in IDA commitments. Further, the net administrative budget of the Bank for 2009 stood at \$1,717.3 million, a 4.9 percent increase from that of the fiscal year 2008 (World Bank 2009, 2-4). This certainly indicates the magnitude and nature of the Bank's activities, although, the Bank's lending portfolio was not always of this size. The institution's inception at the founding phase was largely rhetoric<sup>53</sup> (as I will discuss shortly) and more as an afterthought to the creation of the IMF (Woods 2006, Goldman 2005, Payer 1982, Karns and Mingst 2004, Gilbert and Vines 2000).

### **3.1.1 The World Bank from foundation until 1980s**

The IBRD was the first and the only institution of the Bank Group to be created along with the IMF during the 1944 Bretton Woods Conference in New Hampshire, U.S. The core purpose of the Bretton Woods Conference was to set up a global economic regulatory system to help maintain financial stability and to avoid the recurrence of events such as the Great Depression of the 1930s (Payer 1982, 21). The major players behind the foundation of the BWIs were U.S. and United Kingdom (U.K.). The U.S. was clearly emerging from World War II (WWII) as the next global superpower and the U.K. was one of the chief designers mainly because of its prominent role within the Allied forces during the war. The well-known British economist John Maynard Keynes and Harry Dexter White of the United State Treasury were the chief co-architects of the Bretton Woods Agreement.

While the IMF was set up to manage the newly established international monetary system, oversee the fixed but adjustable exchange rates and provide only short-term loans to

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<sup>53</sup> At the Bretton Woods Conference in 1944, the primary objective was to create an institution, which will help maintain financial stability across the globe and prevent economic crises such as the Great Depression. This is why IMF was created. The Bank was created at the same time but not so much for a global purpose. Its main objective became the reconstruction of post-War Europe. It is for this reason that the World Bank's creation has been considered a largely rhetoric.

countries with near term balance of payment problems, the Bank was responsible for coordinating and overseeing post WWII reconstruction of war torn European economies (Woods 2006, 235). Although named the “International Bank for Reconstruction and Development”, the core focus of IBRD remained within European countries. Keynes was known to have suggested that the economic advancement of Europe was priority over the rest of the world (Goldman 2005, 53). The Americans were also very clear about prioritizing their domestic economic stability as suggested by the U.S. State Department press release on the Bretton Woods Conference:

The purpose of the Conference is ... wholly within the American tradition, and completely outside political consideration. The United States wants, after this war, full utilization of its industries, its factories and its farms; full and steady employment for its citizens, particularly its ex-servicemen; and full prosperity and peace. It can have them only if currencies are stable, if money they receive on the due date will have the value contracted for- **hence the first proposal, the stabilization Fund**. With values secured and held stable, **it is next desirable to promote world-wide reconstruction**, revive normal trade, and make funds available for sound enterprises, all of which will in turn call for American products **hence the second proposal for the Bank for Reconstruction and Development** [as cited in (Goldman 2005, 54-55) from U.S. Department of State 1948, 1148] (emphasis added).

Initially the Bank’s membership was made conditional and granted upon becoming a member of the IMF. The U.S. held thirty-seven percent, the largest share of the voting power at the time of founding. The headquarters of BWIs was also established in Washington D.C., a symbol of the American hegemony in the institution (Payer 1982, 22-23).

During the 1950s, almost all of the Bank’s ventures were concentrated in rebuilding war-torn Western Europe. This is also when the Bank remained outside the political limelight. However, the onset of the Cold War and the decolonization process soon changed this. The growing threat of the Cold War and American hegemony within the Bank made it hard for it to stay politically neutral. Incidentally, the political priorities of the Bank such as democratization (feature in the Bank’s activities until date) were formed as a result of the perceived intensifying threat of Communism from the Soviet Union (Gilbert and Vines 2000, 14). Furthermore, as the reconstruction effort in Europe drew to a close, a void was created in the Bank’s established role. The rapid spread of decolonization movements in the Global South provided the Bank with its next business agenda. The rapid growth needs of the newly decolonized economies necessitated substantial financing, lending the Bank its new purpose. As the IMF continued to manage short-

term monetary instability, the Bank began borrowing heavily from private capital markets and lent to decolonized countries<sup>54</sup> (Ibid.).

The Bank soon witnessed institutional expansion and the formal establishment of the “World Bank Group” to tackle the growing demand for its lending (Woods 2006, 236). The IFC was created in 1956 to facilitate red-tape free borrowing for private corporations investing in development projects in developing countries. The IDA was established in 1960 to provide “concessionary aid funds” to developing countries in response to the demand for “liberal lending” by lobbies representing the “underdeveloped” world (Payer 1982, 25). The IDA was created to identify appropriate projects in developing countries that would offer rates of return compatible with that of the IBRD loan repayment terms. Thus, with the creation of the IDA “the Bank effectively repositioned itself, to some extent reluctantly, as a development agency rather than a public sector bank lending for development-related projects” (Gilbert and Vines 2000, 15). In the coming decades, the Bank witnessed a shift from specific project based lending to primarily policy-based lending (Woods 2006, 236). This resulted in rapid expansion of its services, including offering planning and policy consultation to governments of developing countries. The Bank’s administrative budget also witnessed a quick increase in order to provide staff resources to shoulder the swiftly expanding lending portfolio.

Understanding the Bank’s evolution as a development agency would probably remain incomplete without reviewing Robert McNamara’s contribution to the transformation process as the president of the Bank (from 1968 to 1981). McNamara single handedly introduced the concept of “absolute poverty” and publicized (and politicized) the “degrading image” of poverty, as it exists in the mainstream discourse of development today (Goldman 2005, 61). He introduced experimental project lending that catered to sectors previously not addresses through typical development lending such as: agriculture, resource extraction, and resource explorations (including oil and gas). He also introduced formal and institutionalized “development planning” and administration among developing country governments (Ibid.). Further, the so severely criticized “culture of loan approval” of the Bank, also came into existence during McNamara’s presidency. McNamara believed that

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<sup>54</sup> or “developing countries” as they were officially identified in the official literature published by the World Bank.

if ... staff output is measured by the speed with which a “product “is delivered, staff are strongly tempted to avoid anything that detracts from well trodden paths; any deviant or more ambitious course of action produce additional uncertainty and possible delays in completion dates, which look bad on staff record ... (Payer 1982, 26).

Much of the creation of specialized and super specialized country and policy analysis divisions accompanied by strategies such as country assessment reports also began during McNamara’s term.

### **3.1.2 The 1980s Debt Crisis, Washington Consensus and Post Washington Consensus**

If McNamara's presidency laid the founding stones for the Bank to solidify its role as a development agency, the global financial crisis of the 1980s allowed the Bank to put its words, philosophies and commitments to test. The 1980 Debt Crisis was followed by the launch of the macroeconomic stability programs, jointly designed by the Bank and the Fund. These programs were known as SAPs . Given that the SAPs were responsible for putting the Bank (and also the Fund) at the center of development politics, it is worthwhile to briefly review the events that led to the inception of the former.

The international debt crisis of early 1980s revolved around recycling petrodollars. During mid-1970s, large commercial Western Banks witnessed a rise in capital funds as a result of the enormous profit oil exporting Middle-Eastern states had made during the sharp rise in oil prices. These funds were lent in large sums, against high interest to governments in developing countries, particularly Latin America, who were keen to fund rapid industrialization projects for economic development purposes (Carrasco 1998). However, the early 1980s witnessed a global recession, chiefly as a result of decreased exports and rising interest rates. As the debtor countries experienced a sharp drop in their foreign exchange reserves, they declared their inability to repay their loans in a timely manner. Market instabilities further led to capital flight causing the situation to worsen (Ibid.). Shortly after, many Latin American states officially declared their inability to repay their loans, leading to panic of an international financial crisis among lending institutions and their host countries (Simon 2008, 87). Determined to protect the international financial system, the Fund assumed the primary role of managing this crisis. The borrowing countries were forced to assume complete responsibility for this chaos (Carrasco 1998). Their governments were accused of being corrupt, excessively involved in the economy, unnecessarily

bureaucratic and financing inefficient state enterprises already running in loss. To correct these deficiencies, the BWIs launched the SAPs (Simon 2008, 87, Carrasco 1998)<sup>56</sup>. The theoretical principles underlying SAPs were situated within the dominant neoliberal ideology that fervently advocated for the spread of free-market policies<sup>58</sup>.

Incidentally, the launch of the SAPs also marked the beginning of the WC, the first ever officially designed economic development agenda by the Bank and the Fund. The term WC was first conceptualized by economist John Williamson in 1989. The WC was primarily concerned with macroeconomic policy and sound financial management (Williamson 1999). In the wake of growing involvement of the international finance institutions (IFIs) in “salvaging” the crisis ridden economies of the developing world, WC emphasized improving economic performance through trade liberalization, macroeconomic stability and setting the prices right (Fine 2003, 2). Williamson had suggested a ten point agenda to be adopted by countries seeking economic growth. These were:

**Table 1: Ten points of the Washington Consensus**

1. Fiscal discipline	6. Trade liberalization
2. Reorientation of public expenditures	7. Openness to direct foreign investment
3. Tax reform	8. Privatization
4. Financial liberalization	9. Deregulation
5. Unified and competitive exchange rate	10. Secure property rights
Source: Maxwell 2005, 10 and Rodrik 2006, 978.	

The WC was initially popular and widely applied through the implementation of macroeconomic stability programs such as SAPs. Soon after, with the increasing failure of such

<sup>56</sup> Further, in order to match the losses, the lending institutions were provided one billion pound of tax exemption annually (Simon 2008, 87). The fact that international multilateral banks had willingly lent out additional petrodollars, and hence there existed a mutual agreement between both parties (i.e. the bank and the recipient nation) in question, was completely ignored.

<sup>58</sup> The four central elements of SAPs included “the mobilization of domestic resources, policy reforms to increase economic efficiency, the generation of foreign exchange revenue from non-traditional sources through diversification, as well as through increased exports of traditional commodities; ... [further] reducing the active economic role of the state and enduring that this is non-inflationary” (Simon 2008, 87).

policies to yield the right kind of economic growth, the WC came under severe criticism. The policies prescribed by the WC were criticized for being incomplete and wrongly guided. According to Fine (2003), the WC failed to consider measures such as “sound financial regulation, competition policy, and policies to facilitate transfer of technology”, which were integral to creation of markets and economic growth. Further, the WC also advocated for reduced government involvement in the economy and believed that this was crucial for successful creation of private markets (Fine 2003, 2-3). This in particular was problematic especially since the WC proposed to reduce public expenditure, which coupled with decreased government involvement in the economy led to gaps in availability of important social services and safety nets, especially for the low-income population. This contributed to further increases in poverty.

By the mid 1990s, there were increasing disagreements between economists in the policy circle as to how the WC could be reformed and improved. Particularly, experts were divided on the extent of state involvement in regulating the economy. Probably the biggest drawback of the WC was that it did nothing to directly address poverty reduction. Poverty reduction was expected to be an indirect by-product of the economic reforms suggested to developing countries. However, the gross miscalculation on the part of the Bank and the Fund caused both the institutions to receive widespread criticism. The institutions were accused of advocating policies that primarily supported free market regulations, which hugely benefitted corporations but provided limited and mixed results in terms of poverty reduction.

As a response to the IFIs, a new global social movement became prominent during the 1980s and 1990s. The anti-globalization movement combined forces mainly from the civil society sectors in both developed and developing countries and opposed the push for economic liberalization and free market policies across the globe, its adverse effects and its proponents such as international financial institutions (the World Bank, the IMF, the World Trade Organization or WTO, the Organization for Economic Co-operation and Development or OECD and such). The IFIs were compared to imperialist and colonial powers and criticized for trying to impose neocolonial influence on developing countries (Dodds 2008, 6-7). At the same time, the most prominent criticism against the IFIs came from the civil society sector - at both the local and global level. The institutions were criticized for their top-down approach to policy design and not consulting the civil society sector within developing countries. This was especially true for non-



governmental organizations who complained that despite having a grass roots understanding of the social realities and being closest to the poor, they were left out of decision making and planning.

This neoliberal crisis sparked a demand for institutional reform and consideration for alternative development strategies from concerned stakeholders such as developing country governments and civil society organizations (both global and those in developing countries), resulting in the creation of second generation stabilization programs called the poverty reduction and growth facility (PRGF) programs (IMF 2009). This new development agenda also came to be known as the Post-Washington Consensus (PWC). Joseph Stiglitz, the then Chief Economist and Senior Vice President of the Bank was the architect of this framework. In a series of lectures given during 1998, Stiglitz discussed the weaknesses of the WC and suggested that the PWC takes into account important dimension of economic development ignored in the WC. Stiglitz laid out an additional ten points to be added to the existing WC to make it more effective and relevant to developing countries (Stiglitz 1998a). These additional ten criteria are:

**Table 2: Addition ten points added during Post-Washington Consensus**

11. Corporate Governance	16. “Prudent” capital account opening
12. Anti-corruption	17. Non-intermediate exchange rate regimes
13. Flexible labor markets	18. Independent central banks / inflation targeting
14. WTO Agreements	19. Social safety nets
15. Financial Codes and Standards	20. Targeted poverty Reduction
Source: Rodrik 2006, 978.	

Note the addition of the criteria of social safety nets and targeted poverty reduction, which were primarily driven by the severe criticism the Bank and the Fund policies had received in the aftermath of the failure of the WC. WC had failed to perceive the “multi-dimensional” nature of poverty. Thus, PWC witnessed the *first* formal inclusion of poverty reduction as a core focus of economic development policy.

The reason I highlight the appearance of “poverty reduction” in PWC is because many critics (as would have been obvious from the literature review in the earlier chapter) tend to suggest the Bank has “reprioritized” poverty reduction and “reoriented” its policies accordingly. However, the absence of poverty reduction from WC initially would suggest that it was never a priority for the Bank or for other IFIs such as the Fund. This is important to note because the question of reprioritizing does not arise if poverty reduction was never really on the Bank’s priority list. Therefore, the Bank has neither reprioritized its concerns nor reoriented its policies. In order to tackle the growing criticism, it has simply created a new agenda and designed (seemingly) “new” policies.

PWC has also attracted some criticism. Fine views the PWC agenda as “extremely narrow and weak” because of its inability to appreciate two main factors. First, the market reform criteria proposed in PWC are based on a very simplistic and reductionist understanding of Economics. The economic considerations underlying PWC are extremely theoretical and fail to account for “market imperfections” in its predictions. PWC does not really differ much from WC because it also ignores the fact that markets and individuals are not perfect unlike the assumptions made in theoretical calculations (Fine 2003). Second, PWC based policies also fail to consider concepts such as class and power, which greatly impact economic and social structure (Fine 2003, 7). Furthermore, it is also important to realize that of the additional ten points of PWC the eight other points (apart from social safety nets and targeted poverty reduction) do not reflect any substantial change from those highlighted in WC.

Poverty reduction and human development featured more prominently in the new and apparently improved prescription of PRGF. Developing country governments in collaboration with external stakeholders, including the Bank and the Fund, prepared PRSPs, which contained an analysis of the country’s macroeconomic, structural and social policies and programs and the financing required to support these undertakings. They are revised every few years to ensure promotion of “broad based growth and reduce poverty” (IMF 2009a). It seems that the most significant features of PRSPs rested in its democratic and representative ways of doing business, which encouraged governments and stake holders to take ownership of the development programs and in turn, ensure empowerment at all levels of engagement. PRSPs emphasized

moving away from the one-size-fits all approach of SAPs (Zack-Williams and Mohan 2005, 501) and recognizing the unique challenges each developing country faced.

It is still somewhat early to evaluate the impact of the PRSPs – launched only in 2000 – however, criticism concerning it has revolved mainly around the Bank’s unwillingness to make the process more transparent and available to all, unlike what was initially promised. The democratic claims of PRSPs, considered simply rhetoric, are reflective of the BWIs’ stronghold on the strategy formulation process and final approval of the PRSPs prepared by developing countries. This is certainly no different than the Bank’s existing methods and earlier attitude.

Over the years, the Bank has established itself as the global trans-nationalized development expert. For an institution that was established primarily for the purpose of post-war reconstruction of Europe, the Bank has come a long way, constantly redefining its goals, methods and evolving with changing times. This process of evolution has been accompanied with increased interference in domestic matters of developing countries, lending it the political image it currently has. The Bank’s increased advocacy of neoliberal free market policies --without much concern for its actual applicability to poverty reduction in the Global South, has been reflective of the rise of domestic varieties of neoliberalism during the 1970s within the Anglo-American states. The failure of the SAPs, the Bank’s most prominent neoliberal prescription has lent a huge blow to its ego, raising concerns about its credibility, efficiency and relevance to international development. The need to reform – at least in public – its strong pro-neoliberal image, to create a more neutral public face and assume a more inclusive approach to distract the critical stakeholders, are therefore the key survival strategies available to the Bank. Creating a knowledge sharing and management enterprise, at least on the outside, allows it to build this new apolitical image. For the Bank, this new initiative has generated innovative ways of maintaining its relevance to the development community and sustaining its central position of authority.

### **3.2 Development Research and the World Bank**

This project would be significantly weakened without paying adequate attention to the Bank’s role in development research, for it is this specific role that is used by the Bank to justify its new knowledge bank function. In this section, I will briefly explore the conflict of interest that

exists in a development agency – especially one such as the Bank with its controversial public image and an in-house research capacity - transforming itself into the facilitator of global development knowledge sharing and management.

Prior to launching the K4D initiative, Wolfensohn and Stiglitz very strategically publicized the idea of transforming the Bank into a knowledge institution. They claimed that development knowledge, due to the sheer magnitude of the impact it could cause, was a public good<sup>59</sup> and as a public good, all across the globe should be able to enjoy its benefits. Further, the Bank seemed to be the most obvious choice to take on this task because of its central role in fighting global poverty. The Bank would be the most capable in efficiently executing the responsibilities of a knowledge bank (as discussed in the WDR 1998/1999), which would be acquiring development knowledge (more specifically from the local to the global) and sharing and managing such knowledge globally. This assumption of efficiency was based on the supposition that it had the resources – financial and otherwise, and the capacity to execute this task most effectively. With a staff that has multi-country experience, the process of acquiring local knowledge and utilizing it for better policy planning, the Bank seemed to be at the best position to help its clients (Stiglitz 1998b, 7, 28). This notion was further strengthened by the publication of the Bank’s 1998/1999 World Development Report (WDR) titled *Knowledge for Development*.

The propaganda behind the launch of the K4D initiative and the Bank’s transformation to the knowledge bank is convincing and probably true to a large extent. There is hardly a development research institute, which is nearly comparable to the Bank in terms of size of its research portfolio, its research capacity, its research budget (although only 2.5 percent of its operational costs) or even in terms of reach and readership numbers. Some of the United Nations agencies, such as United Nations Development Program (UNDP), United Nations Conference on Trade and Development (UNCTAD) and United National Research Institute for Social Development (UNRISD) may come close but their readership is not comparable to the Bank’s (Toye and Toye 2005). One important concern however, often overlooked, is regarding the quality of the Bank’s research. Toye and Toye (2005) argue that the “production of social knowledge in all international organizations is problematic, because of their nature as a form of

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<sup>59</sup> I will address this and the Bank’s rhetoric surrounding this in detail in chapter 4.

public bureaucracy”(Ibid., iii). In the Bank’s context it is not just the internal problem of organizational culture (one of them being staff mentality) but also that the institution’s activities and engagements would obviously influence if not pre-determine the course and political inclination of its research. In sum, an institution’s ideological orientation is bound to influence the research it produces and it is hardly possible to produce such research outside the realm of its practical activities (Ibid.).

It is no secret that the Bank’s research and publication exhibit strong neoliberal inclination. In fact, the institution is known to closely “oversee” (to put it mildly) the research produced by its economists and researchers. From time to time, the Bank’s staff has complained about their research and scholarship being disapproved for publication internally as well as externally. An anecdote from 1955 suggests that the Bank denied the publication of Jan Tinbergen's *The Design of Development*, a three-year study the institution had itself commissioned when the Bank’s then president disagreed with the author’s proposal of mixed private and public economy (Toye and Toye 2005). Evidence suggests that a large number of research documents published by the Bank have always been “subservient to management’s objectives”, and especially so during McNamara’s time. Historically, scholarship produced by the Bank’s researchers have also significantly differed from that of independent academics and scholars in its theoretical conclusion and practical optimism about Bank’s policies and prescriptions (Ibid.).

What is also quite distressing about the Bank’s role in development research is that it has become “the single most important external source of ideas and advice to developing-country policymakers” (Gavin and Rodrik 1995), although experts remain divided about the intellectual rigor and novelty present in the Bank’s research and methods (Toye and Toye 2005). A public institution, such as the Bank, holds immense power to convert simple ideas into dominant ones and shape an entire discourse around such ideas. Given the dependency that borrowing countries express in the Bank’s research, it is surprising that the Bank’s publications contain significantly few works from the Global South especially local critics. In fact, evidence exists to suggest that often policy flaws, shortcomings and problems identified by local critics are initially discredited and denied by the Bank but later on reappear in the Bank’s literature in form of “discovery” or “learning” by the institution’s staff (Ibid.).

The World Bank's investment in intellectual infrastructure has also steadily grown since the 1980s. In 1978 the Bank launched its flagship publication, *The World Development Report*. This publication is considered to have the highest readership in the field of Development Economics. For the Bank, this document has probably been the most significant strategic source of shaping the development agenda by pushing its own favorite development topics and issues to limelight. *The World Bank Economic Review* and *The World Bank Research Observer*, launched during 1980s by the Bank, are also two major and well-known journals in the field of Development Studies exhibiting scholarship mostly supportive of the Bank's ideological inclination. The Bank is also the single most important global source of statistical data and indicators on development with the largest (among other international organizations of its type) in-house capacity for data collection and analysis (Ibid., 6-7). Hence, it is this massive intellectual infrastructure, built mostly since 1980s that allows the Bank to conveniently project itself as one of the most credible sources of information on development.

This is only the tip of the iceberg when one considers the advantage that CDF provides the Bank. In this new framework the Bank occupies the central position and therefore greatly influences development thinking. While it offers its entire gamut of loan and technical advising services to the development community, it projects itself as the one-stop shop for their development needs. Behind the rhetoric of alternative development agenda and people centered development what it really runs is a puppet show of various stakeholders belonging to the development community. In 2006, the Bank commissioned a project (to an independent panel of academia based scholars) that evaluated a large randomly selected sample of research projects carried out by the Bank between 1998 and 2005. Following is an excerpt from the executive summary:

the panel had substantial criticisms of the way **that this [the Bank's] research was used to proselytize on behalf of Bank policy, often without taking a balanced view of the evidence**, and without expressing appropriate skepticism. **Internal research that was favorable to Bank positions was given great prominence, and unfavorable research ignored ...** In these cases, we believe that there was a **serious failure of the checks and balances that should separate advocacy and research**. The panel endorses the right of the Bank to strongly defend and advocate its own policies. But when the Bank leadership **selectively appeals to relatively new and untested research as hard evidence** that its preferred policies work, **it lends unwarranted confidence to the Banks' prescriptions**. Placing fragile selected new research results on a pedestal invites later recrimination that

undermines the credibility and usefulness of all Bank research (Deaton, et al. 2006, 6) (emphasis added).

The same report repeatedly criticized the Bank for conducting a substantial portion of the research itself, instead of supporting and promoting independent research by researchers and research institutions in developing countries (Ibid.). According to the BWP, the World Bank needs to understand the research priorities and issues from a client's perspective instead of pushing its own research agenda on them. This would lead to better planning and project design, one that would have better ownership from clients' side. United Nations Conference of Trade and Development (UNCTAD) is one such example. It carries out consultations with UN members to identify their research interests and preferences rather than taking control of their research agenda by itself (Bretton Woods Project 2010).

According to the Bank's own documents, its research has four main goals: 1) Produce knowledge that will help formulate the organization's operational strategies and form the basis of the products it provides such as policy advice, financing activities and support its technocrats; 2) Address specific requirements of the Bank's projects especially those which help evaluate the development progress of client states; 3) Produce development knowledge – not necessarily specific to projects – for broader use in the development community; and 4) to help promote capacity building for local knowledge production in client countries (Deaton, et al. 2006). A fundamental conflict exists between these goals. The very notion of producing research to support the organization's activities is in direct conflict with the basic ethical considerations behind producing general research for the broader development community. Is it possible to maintain neutrality in producing general knowledge and ignoring the organization's political and ideological beliefs? To what extent is it practical for an organization to produce two different kinds of knowledge, one for the general development community that is objective and neutral, and a second one, more subjective and drawing from the strict neoliberal economic principles? Is it not the purpose of the second kind of knowledge to complement the Bank's operational activities (i.e. the institution's first research goal)? Therefore, when the Bank ventures into the K4D initiative, it naturally raises red flag about the Bank's motives. It is only fair to say that the K4D initiative will hardly be able to escape the conflict that exists in the Bank's research commitments to itself and to that of the broader development community.

### 3.3 Conclusion

So far, this chapter has focused on understanding the Bank's journey from being a primarily Eurocentric lending institution to that of a global development agency. During this expansion, the Bank has added several new functions to its portfolio: lending and technical advising. Among these various functions, research has so far been perceived as a support role (although this may not be actually the case), mainly to complement the institution's two primary functions. The two and a half percent of the total operational cost that is allotted as research budget is considered a nominal expenditure although it is far superior to that of any academic institution or even other multilateral organizations. Nonetheless, there is hardly anyone in the development community who is able to escape (positively or negatively) the influence of the Bank's research. It is difficult to be in the discipline of Development Studies (an interdisciplinary field by itself) and not have felt the weight of the Bank's research.

The depth and breadth of the Bank's research portfolio is enormous and continuously expanding. The launch of the K4D initiative marks the beginning of an era where the Bank has repositioned itself as a research and knowledge hub, transforming research from a supportive to a core function. Previously the Bank was satisfied with just publishing and disseminating its own in-house research. With the K4D initiative, the Bank has brought development knowledge generated by other relevant actors (such as independent research organizations and think tanks in both the developed and developing world, research arms of developing country governments and so forth) within its realm of influence (by facilitating global development knowledge flow). The Bank has put itself forward as a storehouse of this knowledge and also taken upon itself the responsibility of disseminating it. This generates concern because to what extent does the Bank disseminate elsewhere acquired knowledge in its original form or does such knowledge undergo any kind of transformation during the absorption / storing process? Could it be that such knowledge is maneuvered and molded to advance the Bank's neoliberal agenda? The Bank has also installed various learning mechanisms to enhance acquisition and appropriate application of development knowledge and expertise among its stakeholders. It is difficult to overlook the intricate web of knowledge infrastructure and various initiatives created as a result of the K4D initiative, especially given the absurdity that surrounds this massive venture.



Nonetheless, the launch of the knowledge ventures have faced very little opposition or criticism from non-academic circles (and except for organizations like Bretton Woods Project), partly because of the way such ventures have been rationalized before the development community and partly because of the advantages that the development community foresees itself gaining from the massive knowledge management program the Bank has put in place. In the next two chapters, this project will examine these two elements: the inception of the knowledge ventures and the knowledge fiefdom that the Bank has built and try to understand how the Bank has successfully managed to convince the development community of its newest undertaking is beneficial to the broader development community (even in a time of crisis).

## Chapter 4: The Inception of the World Bank's Knowledge Ventures

*Despite its claims to treat knowledge as a public good it is in fact treated as a commodity, making the Bank's new presentation of itself nothing more than a rebottling of old modernization wine*

- Lyla Mehta, *The World Bank and its emerging knowledge empire*, 2001

The primary objective of this chapter is to understand the extent to which the Bank's knowledge ventures present a departure from its earlier neoliberal ideological dispositions. Toward this end, this chapter reviews the various stages through which the idea of K4D was conceptualized, rationalized and institutionalized. These stages are: 1) rationalizing the need of a global knowledge for development strategy, 2) creating the vision of the knowledge bank and 3) suggesting ways that international institutions and developing countries could work together to institutionalize the K4D initiative in development planning. Elements of neoliberal ideology are evident across these various stages in subtle ways and this is examined through the identification and study of three main vehicles of propaganda used to publicly reinforce the ideas of knowledge ventures. These vehicles are: first, speeches, conference presentations and writings of Prof. Joseph Stiglitz, the then Chief Economist and Senior Vice-President of the Bank; second, the speeches and writings of James D. Wolfensohn, the then President of the Bank; and third, the WDR 1998/99 which officially launched the K4D initiative.

### 4.1 Deconstructing the K4D Initiative

As the knowledge Bank, the World Bank foresees itself as spur[ring] the knowledge revolution in developing countries and act[ing] as a **global catalyst** for **creating**, sharing, and applying the cutting-edge knowledge necessary for poverty reduction and economic development. We have restructured ourselves and invested in knowledge networks, communities of practice, and information technology within the organization to enable better internal and external knowledge sharing. We have launched several new global knowledge initiatives [as quoted from World Bank website in (Wilks, From the Adam Smith Institute to the Zapatistas: an Internet Gateway to all development knowledge 2002)].

The interesting contrast that the above proclamation presents with the Bank's mandate and functions is too obvious to be ignored. An institution with a legacy of active involvement in

decades of development research (especially with a particular ideological mind set) becoming the “global catalyst” for cross-border dissemination of research that can lead to development can hardly be considered a coincidence (nor does the Bank probably intend it to be so). Its continuous promotion of itself as the leading and one of the most reliable sources of development research indicates a contradiction (in a self serving way) between its existing role as a development research agency and its new role as a knowledge bank. Mehta concurs in questioning the Bank’s intentions to become the “storehouse of knowledge and a broker of knowledge worldwide” (Mehta 2001) given that “the Bank is neither an impartial keeper nor an impartial producer of knowledge” (Ibid., 194).

Before proceeding with the question of the Bank’s legitimate claims to the title of *the* knowledge Bank, it is important to understand the Bank’s need to become the knowledge Bank especially given the timing of the launch of the initiative. The Bank explains this as:

... [given] the **plummeting costs of communication and computing**, [caused] the World Bank [to perceive] that sharing knowledge would enhance its organizational performance, and therefore, its global impact on poverty. This was a business decision anchored on the realization that **the new opportunities were worth the shock of cultural and technological transformations that the Bank was going to introduce**. Knowledge management was not undertaken for its own good. It was motivated by a decision to increase the speed and quality of service delivery, lower the cost of operations by avoiding rework, accelerate innovation, and widen the Bank partnerships to fight poverty (Pommier n.d.) (emphasis added).

The apparently falling price of ICT services and products is suggested by the institution as one of the key considerations for launching the K4D initiative. It is seen to provide the right time and also the right opportunity (given the global ICT revolution) for considering the Knowledge bank initiative. Debates concerning the practicality of “plummeting costs of communication and computing” and the ability of ICT to bridge the gap between rich and poor countries are wide-ranging in the development as well as the ICT community. Wade (2002) contends that the recent debate over ICTs being the missing link to development is largely over-inflated propaganda. It oversimplifies development problems and largely exaggerates the ability of ICT to facilitate people’s ability to acquire, learn and absorb knowledge produced elsewhere. Hence he concludes that ICT “[is] being touted in the development community as though [it] can leapfrog over the more familiar development problems” (Wade 2002). To what extent the ICT revolution can positively transform development problems in poor countries is therefore a contentious issues,

especially given the numerous intellectual property agreement / patents that exist on various tools and technologies produced by multinational companies.

The Bank's assertion that integrating ICT in development can enhance the effectiveness of development administration remains is a problematic notion. In pushing for low cost technology and its advantages for poor countries, little attention is paid to the issue of substantial costs involved in acquiring the necessary infrastructure that can lead developing countries to undergo the requisite ICT transition. Even when the Bank acknowledges this massive investment, it is only sporadically addressed throughout the WDR 1998/99 and discussed implicitly as a necessary sacrifice for a brighter and more economically prosperous future. The consideration that investments on acquiring ICT infrastructure may cause the state to divert expenditure from other sectors that may be currently addressing more urgent and immediate needs of the poor is either missing or overshadowed by the presumption that the state could acquire the necessary financing through loans from various foreign sources (Wilks 2002). What is the reason behind existence of such definitive presumptions? The answer to this requires one to understand the influential role-played by the theoretical proposition "knowledge as a public good", which seems to be the key rationale behind these new knowledge ventures. Introduced by Stiglitz, this concept has become the most significant underlying justification for the Bank's new role. Stiglitz's decades long research experience in the economics of information society and his influential position as the Bank's Chief Economist provided the right mix of spark to ignite the discussion of knowledge economy (that is an economy based on a new form of capital – knowledge) into the mainstream development discourse.

## **4.2 Rationalizing the K4D Initiative**

### **4.2.1 Knowledge as a "Global Public Good"**

The K4D initiative of the Bank is essentially situated in the notion of knowledge being a global public good. This is, further built on two unique assumptions. The first is the "nonrivalrousness" of knowledge and the second is the "non-excludability" characteristic of knowledge. The nonrivalrousness of knowledge essentially derives from the economic concept of zero marginal cost, i.e. there is no additional cost of producing knowledge for the use of a second individual. This has a "strong implication" for the society in general since, at least theoretically,

“it would be undesirable to do so [prevent a second individual from using the “good”] because there is no marginal cost to sharing its benefits” (Stiglitz, Knowledge as a Global Public Good 1999a). The non-excludability property of knowledge is connected to the non-rivalrous nature of knowledge. No marginal cost of producing knowledge translates into no marginal cost for sharing such a good with others, suggesting that all could (some would say “should”) be allowed to access / use this good. More importantly, this may also suggest that a good like knowledge should not be restricted to use only in private realm but be made available to the larger masses (Stiglitz, Knowledge as a Global Public Good 1999a). Based on Samuelson's (1954) theory of public goods, Stiglitz outlines the existence of five such public goods, which are available to all (or rather should be available to all). These are, international economic stability, international security (political stability), the global environment, international humanitarian assistance and knowledge (Stiglitz, Knowledge as a Global Public Good 1999a).

But how does the notion of knowledge being a public good relate to the Bank’s transformation into a knowledge institution? Of the five global public goods Stiglitz identifies (mentioned above), the first four already exist within the realms of mandates and activities of international organizations such as the UN Agencies, the Bank and the Fund. As the only remaining good, categorizing knowledge in the same group as the rest of the four global public goods allows institutions such as the Bank to associate itself with the former. The Bank is not new to the realm of development knowledge, especially with its history of providing policy and technical consultancy to developing countries. The Bank has been recognized for some time now as one of the largest producers and disseminators of development research activities. Yet this new association must be understood as the foundation that formally acknowledges the Bank’s dominant role in global development knowledge. Establishing itself as the cornerstone of global development research allows the World Bank to assume legitimate claim to the role of “overseeing” (not strictly adhering to the terms though) global development knowledge. In Stiglitz's words:

today we recognize that knowledge is not only a public good but also a global or international public good. We have also come to recognize that knowledge is central to successful development. The **international community**, through institutions like the World Bank, has a **collective responsibility for the creation and dissemination of one global public good—knowledge for development** (Stiglitz 1999a) (emphasis added).

Comments, such as the above, help the Bank actualize certain core objectives. First (as discussed above), it allows the Bank to gain a formally recognized, more clearly outlined space and position for its activities (vis-à-vis its earlier research activities which were seen as integral to its lending agency role) in the mainstream development research community<sup>60</sup>. Second, putting knowledge at the heart of the contemporary discourse on development allows the Bank to continue to dominate the development agenda and set the priorities as it sees fit. Third, by labeling the matter-in-question with terms such as “collective responsibility” and “international community”, it is formally brought within the realm of the mandate and activities of an international institution. As an institution which has specialized in development research for sometime, the Bank can then position itself as the *only* organization with “transnational expertise” (St.Clair 2006) to take charge of this project. Reinforcing an existing expertise provides stronger rationale for the new role and the Bank to position itself as an organization ready to take on the exclusive leadership of this new paradigm.

This need to transform itself into a knowledge bank has to be examined in the context of the political environment surrounding the Bank during mid 1990s. The failure of the SAPs had lent a blow to the credibility of the Bank as an effective international organization. The Bank’s commitment to the collective good of the international community and its efficiency as an international organization were being challenged. Unlike the Bank’s lending activities and its policymaking and planning activities, its research and knowledge production activities had been relatively low profile and therefore received less public criticism. At a time like this, shifting public attention to its research and knowledge production role helps the Bank project a relatively harmless and less political image of itself. Such an image, as the Bank might have considered, may also give the impression of reform and create renewed acceptability toward the organization. At the same time, it also portrayed the Bank as actually receptive to the criticism it was receiving.

Through its knowledge management and sharing initiatives, the Bank gave the impression that it had created an open forum for learning through mutual sharing rather than thrusting its own ideological beliefs on its clients and stakeholders unlike before. This helped improve the

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<sup>60</sup> The Bank has been at the forefront of development research for many decades and it has also been considered a quite influential source of development knowledge. However, presenting global development knowledge as a “global public good” allows the Bank to attach the notion of collective responsibility to development knowledge and “formally” introduce it within the realm *of control* of the Bank. It helps rationalize the Bank’s transformation into the knowledge bank.

institution's tarnished image especially at a time of a global legitimacy crisis. How the World Bank utilized the concept of knowledge as a public good to create a new role for itself is therefore clear from the above discussion. But the Bank did not just stop here. It next proceeded with the rhetoric of utilizing this knowledge to create a new kind of economy, called the knowledge- driven economy or knowledge economy.

#### **4.2.2 The Knowledge-Driven Economy**

The concept of a knowledge-driven economy or simply a knowledge economy was first officially (outside academia) dealt with by the U.K. Department of Trade and Industry in a White Paper published in 1998 and titled *Our Competitive Future: Building the Knowledge Driven Economy*. In it, a knowledge-driven economy is,

... one in which the generation and the exploitation of knowledge has come to play the predominant part in the creation of wealth. It is not simply about pushing back the frontiers of knowledge; it is also about the more effective use and exploitation of all types of knowledge in all manner of economic activity (Vaitilingam Jan 1999).

The concept of knowledge economy gained increasing importance during the late 1990s because of the rapid, although not uniform, spread of information and communication technology (ICT) around the globe. The easy availability and accessibility of knowledge and/or information<sup>62</sup> impacted global and local businesses by transforming demand and changing the existing architecture of competition between businesses (Department of Trade and Industry 1999). Unlike existing forms of capital such as land, labor, and financial capital scientific advancements in ICT created the demand for a new form of capital - knowledge / information. Businesses felt a growing importance of investing in this new capital which when combined with existing financial and infrastructure capitals could provide the right mix of resources for more favorable wealth generation. Recognizing the indispensable role knowledge could play in providing businesses with a competitive edge in the global market place, led to further research and innovation and the formal establishment of the knowledge-driven economy.

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<sup>62</sup> In everyday applications of knowledge management and sharing, hardly any distinction is made between knowledge and information. While information carries a more factual connotation with it, knowledge, is more subjective and reflective of the socio-political realities in which the former is produced.

A knowledge economy, also sometimes known as a “weightless economy” because of the intangible and non-materialistic nature of knowledge / information encompasses the following four fundamentals: (Quah 1999, 26) (emphasis author’s own)

- *information and communications technology*, including in particular the Internet;
- *intellectual property*, not just in the typical economic market form of patents and copyright, but also in branding, images, advertising, trademarks and logos;
- *libraries and data-bases* in the form of electronic compilations of information; and
- *bio-technology*, including carbon-based libraries and data-bases, which are after all just carbon encasings of strings of information.

Hence, creating a knowledge economy would entail a heavy emphasis on investment in acquiring the appropriate infrastructure, necessary tools and investment in relevant research, innovation and skill development. Although the marginal cost of producing and sharing of knowledge is zero (as explained by Stiglitz), the cost of setting up the physical infrastructure and technical capacity to facilitate this knowledge sharing and management is extensive and can also be expensive. This is not often publicly highlighted (Wade 2002), although it is quite evident in Stiglitz’s subtle comments:

To be sure, to acquire and use knowledge, individuals may have to expend resources—just as they might have to expend resources to retrieve water from a public lake (Stiglitz 1999a).

Unfortunately, establishing a knowledge economy is not as simple as acquiring water from a public lake. However, given the enormous propaganda around the benefits of the knowledge-economy, the cost implications of setting up the necessary infrastructure are often not adequately highlighted. This obviously indicates a lack of appreciation for the apprehensions surrounding affordability that may exist on the part of developing countries in acquiring and establishing the necessary tools and infrastructure. The lack of basic consideration such as this on the part of an institution that claims to fight for poor countries (as is mentioned in the Bank’s mission statement) and their people certainly leads one to reconsider the Bank’s loyalty and commitment to the poor.

As the guest speaker at a conference jointly organized by the U.K Department of Trade and Industry and Center for Economic Policy Research (CEPR) in 1999, Stiglitz officially introduced the concept of knowledge economy to the development community for the first time. He discussed how development could benefit from the knowledge economy and what some of the



consequences of such a model could be in creating a more pluralistic system (Stiglitz, Knowledge in the Modern Economy 1999). He highlighted the missing link between knowledge and development and argued that the knowledge gap between North and South – popularly called the “digital divide”<sup>63</sup> - had not been paid sufficient attention to in the Bank’s economic development literature. Essentially, the digital divide prevented developing countries from successfully integrating into the global economy. However, realizing the significance of knowledge in creating longer-term and sustainable development, the Bank had assumed the responsibility of addressing the challenge of North-South knowledge gap. In doing so, he claimed

... the World Bank has shifted much of its emphasis to the intangibles of knowledge, institutions and culture in an attempt to forge a more comprehensive New Development agenda for our work. We want, for instance, to be a knowledge bank, not just a bank for infrastructure finance. We now see economic development as less like the construction business and **more like education in the broad and comprehensive sense** that covers knowledge, institutions and culture (Stiglitz 1999) (emphasis added).

The discussion around “digital divide” would come to occupy center stage in the discourse surrounding the Bank’s new knowledge venture. The gap between the extent of ICT usage and existing infrastructure between the Global North and South would be repeatedly emphasized across the Bank’s relevant literature and President Wolfensohn’s numerous speeches. It would be attributed to as the key reason for underdevelopment of poor countries and in certain instances (for e.g. in Wolfensohn’s vision of the Knowledge bank) it would be publicized as almost the *only* reason for continuous and growing poverty in developing countries (as in the previous quote). Consequently, Stiglitz’s call for changes in traditional ways of thinking and “doing” development in poor countries would be to adapt to this new culture of knowledge economy (Stiglitz, Knowledge in the Modern Economy 1999). The success of East Asian economic development is attributed entirely to the “[appreciation of] the centrality of knowledge and education in general and science and technology in particular” (Ibid., 38). The overarching theme of modernization lurking in the background of this discussion is hard to ignore, especially, given the Bank’s legacy of promoting modernization as the dominant means of achieving development. The traditional belief that scientific and technological progress alone is the answer to poverty alleviation is quite prominent in the Bank’s literature (as would be evident from a critical read of the WDR 1998/99; I will discuss this shortly). This also results in the Bank wrongly situating the causes of underdevelopment – which may be intentional – and continue to

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<sup>63</sup> This is a term that is borrowed from the Bank literature where it is used repeatedly to suggest the knowledge gap caused by technological divide between the developed and developing countries.

encourage the predominant modernization mentality that has failed to yield successful results before. The fact that current underdevelopment in poor countries is largely a product of existing North-South power politics is conveniently ignored. The push to transform existing economic configurations to knowledge-driven ones is not simply a one-of-a-kind case, especially when considering the switch over a period of time from “financing for development” to social development (centering on the popularization of social capital and human capital) and lately to knowledge for development (Mehta 2001). This tendency on the Bank’s part to offer new solutions (although only apparently), albeit providing old product wrapped in new packaging, seems to be becoming increasingly conspicuous in the Bank’s struggle to justify its prescriptions for poverty reduction.

What this thrust for transformation essentially reflects is the attitude of commodifying everything, a very prominent feature of the neoliberal economic order. Knowledge is dealt with in the same manner as any other commodity “exchangeable” in an open market for the purpose of wealth generation. As Stiglitz mentioned during a speech:

Knowledge and information is being produced today like cars and steel were produced a hundred years ago. Those, like Bill Gates, who know how to produce knowledge and information better than others reap the rewards, just as those who knew how to produce cars and steel a hundred years ago became the magnates of that era (Stiglitz 1999, 37).

I concur with Mehta’s (2001, 192) response to the above comment,

Clearly, Bill Gates is the Bank’s role model in the new knowledge era, ... But Bill Gates produces software not knowledge and has succeeded largely because he has managed to build a monopoly in the information industry. Can we safely assume that knowledge creation, assimilation, and dissemination in international development may not be inclusive processes, but instead monopolistic and exclusive in nature?

If transforming to a knowledge economy translates into commodification of knowledge, then this is extremely concerning. The patenting spree that global corporations and agencies currently seem to be on will soon make it quite difficult for the majority of the humankind to afford, access and / or utilize knowledge and / or information or any ICT tools. Whether the Bank recognizes this or not - in a world in which the knowledge economy has already become a partial reality - inability to afford or access information is certainly going to make long-term development a distant dream.

### 4.3 The Vision of a Knowledge Bank

The K4D initiative was one of the first projects conceptualized by James Wolfensohn upon assuming the presidency of the Bank in 1995. Mr. Wolfensohn officially unveiled his grand K4D initiative during the October 1, 1996 annual meeting of the World Bank and the IMF. In his speech addressing the Board of Governors, he laid out the rationale behind this initiative as well as his vision for what the Knowledge bank should be:

Development knowledge is part of the global commons: it belongs to everyone, and everyone should benefit from it. But **a global partnership** is required to **cultivate and disseminate it**. The Bank Group's **relationships with governments and institutions all over the world**, together with our **unique reservoir of development experience** across sectors and countries, **position us to play a leading role in this new global knowledge partnership**. We have been in the **business of researching and disseminating the lessons of development for a long time**. But the revolution in information technology increases the potential value of these efforts by vastly extending their reach. To capture this potential, **we need to invest in the necessary systems**, in Washington and worldwide, to enhance our ability to **gather development information and experience and share it with our clients**. **We need to become, in effect, the Knowledge bank** (Wolfensohn 2005, 52) (emphasis added).

This proclamation helped achieve a number of important objectives, especially at a time when the Bank's stakeholders were questioning its capabilities. In similar lines as Stiglitz had done by calling knowledge a global common, Wolfensohn brought it into the realm of the discourse of international institution's broader commitment to collective good, and therefore into the sphere of Bank's everyday activities. This provided the Bank a solid rationale to shift itself from periphery (as knowledge generation or the Bank's research activities were never seen as the Bank's core function unlike its lending activities) to the core of the discussion surrounding development knowledge. Next, the declaration of global partnership for the purpose of making this knowledge available to all, suggested the Bank's intentions to work with partners (developing country governments, civil society actors, public-private partners and such), thus reconfirming the institution's commitment to the principles of democratic participation and inclusiveness. A not so obvious fact in this rhetoric of partnership also included the subtle shift – on part of the partners - from the position of client to that of the stakeholder (as partners normally are in a business). While this might be seen as empowering, at the same time, it succeeded in bringing the partner into the same realm of responsibility as the Bank. Therefore, the Bank was no more the sole responsible actor if its prescriptions did not yield positive results, although in reality, it remained the most influential and significant player behind the scenes.

Wolfensohn's speech also reconfirmed the Bank's enormous claim of creation, ownership and leadership in the field of development research. Despite its controversial status as a development knowledge generator and inability to offer a successful recipe for poverty reduction, not a hint of hesitation is evident in portraying itself as the *only* suitable global agency left to nurture the K4D initiative. His repeated references to the Bank's leading role in development research and suggestions of a possible future leadership role in the new knowledge initiative simply reaffirmed the Bank's existing neoliberal attitude and orientation to development research as the most acceptable and relevant one. The Bank had been involved in development research for decades although its core activities focused on lending to developing countries. Wolfensohn's comments indicated a rearrangement of the Bank's priorities, shifting focus from lending to research activities. Almost single handedly, Wolfensohn generated a new purpose for the Bank's reformation. The assertion of expertise in development research helped solidify the Bank's claim to the new role of knowledge bank. The excitement created around this new creation also helped fittingly divert attention from the legitimacy crisis surrounding the Bank at that time.

The K4D initiative was indeed a new "business" venture for the Bank as had been all the ones that existed prior to it. And Wolfensohn himself confirmed this. Recurring references to the Bank's contribution to development research as "business of researching and disseminating lessons of development for a long time" clearly pointed to this. In fact, the reference to the Bank as the "unique reservoir of development expertise" also complemented this attitude (Wolfensohn 2005). It seemed no different than the chief executive officer of a global corporation flaunting the competitive edge of his / her company at a global product launch platform. Wolfensohn's claim in taking pride on the Bank's "unique" research expertise reflected nothing but a condescending attitude to any other alternative perspectives that might have existed. Such an attitude is certainly not in line with the participatory and inclusive approach to development the Bank claimed to practice.

Wolfensohn also pointed out the Bank's intentions to "cultivate" global development knowledge as one of its primary focus areas (Wolfensohn 2005). As broad and vague as it sounded, it allowed the Bank to keep the domain of its activities as a knowledge bank conveniently ambiguous. In this context, "cultivate" could indicate a series of activities such as

creation, mass production, re-production or preservation of knowledge. It could also indicate selective or mass utilization of existing development knowledge or facilitation of knowledge flow between stakeholders or regions, or nurturing of local knowledge and integrating the same with global and mainstream development knowledge. Nonetheless, it served the Bank's future purposes to remain unclear and lack specificity, especially as it helped set a precedence for context specific interpretation at a later date. It also helped the Bank to conveniently suppress any criticism that might arise from use of more specific words such as "creation", "reproduction", "facilitation", "utilization" and such.

Considering the lack of clarity in Wolfensohn's description of what the Bank should ideally do as a knowledge bank, it would be worthwhile to spend some time discussing what he perceived as the core functions of such an institution. In a different speech, he stated that

as part of this knowledge initiative, the Bank is **organizing itself as a knowledge institution**, so that in two years you will be able to come into the Bank online and find out, on any development subject, what is best practice and who is dealing with projects in that particular area, complete with their telephone and facsimile numbers and Internet addresses. You will also be able to **access technical literature through the Bank**. The Mellon Foundation is putting 6 million pages of academic literature online, to which we will be linked (Wolfensohn 2005, 69) (emphasis added).

The functions identified by Wolfensohn seemed to primarily focus on knowledge organization or as popularly called "knowledge management" in the corporate sector. A somewhat vague concept, it might have had a strong influence on Wolfensohn due to his long tenure with the corporate sector (particularly the financial and the investment banking sector). It is not within the scope of this project to digress to the discussion of Wolfensohn's corporate career<sup>64</sup> and how it shaped his presidency at the Bank but it is certainly worth mentioning that Wolfensohn's long and successful tenure with the corporate sector definitely impacted the changes he installed in the Bank's organizational structure and working culture during his presidency. He frequently compared the Bank's K4D initiative with the knowledge management systems installed by large

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<sup>64</sup> After graduating from Harvard Business School, James Wolfensohn primarily worked in the investment-banking sector, remaining engaged with corporations such as J. Henry Schroders, a British investment firm and later became the managing director of the New York branch of the organization. He was also employed as a senior executive with Solomon Brothers for sometime. Later on, in partnership with Paul A. Volcker, the former chairman of the Federal Reserve Bank, he also created his own investment firm James D. Wolfensohn Inc. On being nominated for the position of president of the World Bank he divested his interests in the firm, which was later bought by Bankers Trust.

corporations such as Ernest & Young, Cap Gemini, Daimler Chrysler, Ford, Schlumberger, and Xerox Corporation. That the Bank's state of the art knowledge management system and infrastructure ranked along side such corporations in external benchmarking competitions was known to have become an internal success milestone for the Bank. The unique nature of the "business" and the end clientele seemed to have hardly made a difference at the Bank's end. This was significant considering the repeated emphasis on knowledge management through out the Bank's literature and activities during the past decade.

The differential treatment of language and tone in describing what the Bank's functions would be as a knowledge bank in the above two statements made by Wolfensohn also deserve careful examination. Compared to the earlier statement (Wolfensohn 2005, 52) which was addressed to the Board of Governors at the 1996 annual meeting of the Bank and IMF – a primarily internal meeting of an audience that would require relatively less persuasion – the latter statement (Wolfensohn 2005, 69) was made before the May 16, 1997 Congressional Staff Forum sponsored by the Overseas Development Council in Washington D.C. Such a forum would most certainly require the Bank to be more reserved, subtle and less staunch in its claims, especially, given the political inclination of such an audience and the influence it might have on the Bank's ultimate activities. The U.S. Congress, although divided between the political left and right regarding the Bank's *raison d'être*, has always had a strong opinion on the extent of involvement the Bank should have in developing countries. Therefore, it would seem pertinent for Wolfensohn to tone down his conviction of what the Bank's role should be as a knowledge bank.

It is important to note a contradiction that emerged further along the same speech when Wolfensohn suggested:

we have taken transponder space on the UN satellite so that every one of our offices in Africa will be linked. These new media will allow us, as an international institution, to be a fantastic agent of change and knowledge. **We are positioning ourselves to be a convener, a catalyst, and a guide in the sharing of knowledge, information, and best practice experience worldwide** (Wolfensohn 2005, 69) (emphasis added).

This particular depiction of the possible role of the Bank as a knowledge institution, certainly different from that proclaimed during the Bank's annual meeting, might suggest a sense of expected opposition. Such stark difference in tone and language might also be a result of some internal opposition, criticism and bureaucratic hangover that existed within the Bank's staff –

primarily among few groups of senior officials. There was certainly evidence of disagreement between Wolfensohn and the Bank staff about the new initiative and other organizational changes Wolfensohn tried to “implement” on the Bank’s day-to-day operations (Pommier n.d.). This could very well be a consequence of the extent of legitimacy crisis the Bank was facing during mid-1990s. Wolfensohn’s desperation in trying to recover the Bank from sinking under the pressure of criticism from both the political right and left was probably the most significant contributor to the evolution of the Bank as a knowledge institution.

While on the discussion of Wolfensohn’s vision for the knowledge bank, one may wonder why becoming a knowledge institution seemed the most obvious next step for the Bank? To this, Wolfensohn responded,

we are indeed in a sixth International Revolution, a revolution on which the world is building its future. I was fascinated to find that Korean industry has, with the help of advisers and with the government, produced a report titled Knowledge for Action. And this report, which **the president recently released along with the private sector**, contains 38 action items to **transform this economy into a knowledge-driven economy**. This represents an enormous cultural shift, one that will influence the way in which the Korean people deal with education, with culture itself, with the freedom of the individual, with the taking of risks, with the distribution of rewards (Wolfensohn 2005, 141) (emphasis added).

During the past decade, the concept of knowledge management gained increasing popularity across organizations, spreading from within corporations to public organizations and more recently to prominent and sizeable entities within the non-governmental / not-for-profit sector (World Bank 2010c). The intangible characteristic of knowledge may make it slightly difficult for some to fathom how it is institutionally managed. But knowledge management in organizations across the industrialized countries basically began in management consultancy and information technology firms who were trying to create a dedicated system to institutionalize the process of knowledge creation, preservation, re-production and distribution (Pommier 2004). The increasing popularity of knowledge management during the 1990s resulted in the conceptualization of the knowledge-driven economy. Simply put, a knowledge-driven economy is built based on knowledge as the key capital and has already emerged as the next phase of capitalist economic system (Stiglitz 1999). The Bank’s neoliberal heritage and pro-capitalist attitude is no secret. Therefore, it is not too far-fetched to recognize that this push for becoming a knowledge bank and the thrust to transform the world economy into a knowledge-driven economy is the primary agenda behind the Bank’s K4D initiative. Korea’s example seemed to

appear repeatedly during Wolfensohn's speech and its successful transition to a knowledge-economy was cited as a model for others to follow (Wolfensohn 2005). However, the extent to which developing countries are able to successfully transition to a knowledge-driven economy remains to be seen. More importantly, to what extent can a transition to knowledge economy help developing economies to achieve their development objectives?

The theoretical underpinning of the K4D initiative was borrowed from the CDF launched by the Bank in 1999. The sole purpose of the CDF was to encourage countries to chart their own development trajectory through a nation wide participatory consultation process that involved various stakeholders such as governments of developing countries, private entities, media and civil society organizations (Wolfensohn and Fisher 2000). Prior to the launch of CDF, the donor community had identified lack of ownership of projects among developing country governments and civil society organizations as the key reason for lack of success. The participation-empowerment process was encouraged to build ownership with the expectation of increased extent of success for developing countries. The theme of ownership appears at several instances in Wolfensohn's speeches in connection to the Bank's transformation to a knowledge bank. The knowledge Bank's activities are suggested to provide further opportunities of ownership such as,

... ownership, which is an essential element in this development process: ownership as a result of knowledge transfer, ownership as a result of opportunity, ownership as key, because no one wants to be told what to do from the outside. It is simply not effective just to get programs nominally accepted. Those programs must be owned and developed by the people they serve. This is a form of democracy, a form of political movement in a sense. But it is also an economic issue, because with ownership you get results (Wolfensohn 2005, 142).

Situating the concept of the knowledge institution in the context of ownership, very conveniently, lent further legitimacy to the Bank, particularly at a time of crisis. It portrayed the effort as truly inclusive of all including those existing previously at the periphery of the spectrum (such as civil society organizations, especially those in developing countries).

It is interesting to observe how the portrayal of the knowledge bank varies across the Bank's literature. At times it is put forward as merely the infrastructure to institutionalize and support that had already existed for decades (knowledge flow, sharing, collaboration and so forth) while at other times, it assumed the role of a political entity when terms such as



“democracy” and “political movement” were associated with it. It is important to pay attention to the dichotomy of political-apolitical that one is simultaneously dealing with in this context. Politicizing the knowledge bank as a vehicle of political and / or economic equity and justice positioned it as a strategy to create wider acceptance of the initiative. This generates a positive political image in contrast to the Bank’s earlier more intrusive role in the politics of developing countries, which was constituted a negative political image. In contrast, the apolitical image that is presented in labeling the bank as a knowledge bank has to do with the seemingly benign role that is associated with a research institute producing, collecting and disseminating research and / or knowledge. The fact that ideological predisposition may influence the nature of research or knowledge an institution produces and promotes is generally overlooked. In discussing promotion of research and knowledge by development agencies, Mosse (2001), has pointed out that the knowledge produced and disseminated by such agencies often tend to subscribe to and strengthen existing official view points on poverty rather than provide any radical insights (Mosse 2001, 22). Marketing the concept of the knowledge bank, as one that would provide opportunities for closing the gap in political and economic fairness certainly helps persuade the larger audience. In fact it could also be argued that intertwining the discussion of democracy and political movement with the rationale for creation of knowledge bank reinforces political legitimacy by shifting the focus of the discussion from the knowledge bank to the political process (political movement, democracy) (Mosse 2001). The positive political connotation associated with the concept of “democracy” is hardly new and has been well exploited in this context.

The notion of ownership, highlighted in Wolfensohn’s comment is unfortunately not so straightforward and without limitations. Ownership is a complicated concept and the Bank’s conceptualization of it does not do due diligence. Ownership is directly linked to the notions of democratic participation and inclusion (Cornwall and Nyamu-Musembi 2004). The process of participation and inclusion may yield very different kinds of ownership depending on the nature of such participation and inclusion (Hickey and Mohan 2005). Such processes are directly shaped by the nature of power relationship that may exist between actors and therefore the nature of ownership that may result from such processes could be meaningful or simply nominal. The relationship between a lending agency and its local partner is rarely devoid of power hierarchy given the conditions of eligibility for funding, contracts, policy and research consultation the

former has to meet (Cooke and Kothari 2001, Mosse 2001). To what extent local agencies are exhibiting true ownership by participating in knowledge management and sharing programs by the Bank (as claimed by Wolfensohn), therefore, remains questionable. Are such local agencies participating in the knowledge management program because they envision genuine benefits in doing so or are they simply participating to express their support for the Bank's policies? In either case, the different objectives behind participation would yield very different ownership results, a fact that the Bank seems to take for granted.

It is also important to pay attention to what the Bank means by ownership. Is it genuinely interested in ensuring ownership or does it simply pay lip service to the notion of ownership. What does successful ownership of a project entail? Is self-sustainability in the long-term not a measure of ownership? As an example of successful and enthusiastic ownership, Wolfensohn cites one of the Bank's pilot projects in India:

We have even had a recent experience in the slums of India, where we put on a wall in a slum area a computer monitor, under glass, and a touchpad built into the wall; it was made available to the kids and to the adults in the slum to see what they would do with it. No information was given on how to use it. All we had was a camera to see what would happen, to see whether the existence of the computer itself— programmed in English, not even in the local language— would have an impact. In the first few days we discovered that boys from 6 to 12 years old were approaching the computer, and then the 16-year-olds. Next we saw boxes. Why boxes? So that the little kids could stand on them and reach the touchpad. The parents, the women at least, never came near. **After one week, the kids had invented their own language for the cursor and learned how to use it, how to click. And within a month they were onto the Disney Channel and were preparing files in a language that was unknown to most of them, but there were some kids who knew some English and they came together.** We are now doing 150 of these examples around India to try and test how the existence of this capacity will make a difference (Wolfensohn 2005, 236) (emphasis added).

As encouraging as it is to witness Mr. Wolfensohn's explicit delineation of surprise at the ability of Indian slum children to become computer literate, it is disconcerting to observe that no clear development outcome(s) emerge out of the above story telling. Until and unless, making slum children computer literate would lead to reduced child labor practices in developing countries, higher primary and secondary school enrollments, more job opportunities for their un- or semi-skilled parents (and therefore ability to send their children to schools and provide their families with primary health care), better living conditions (housing, sanitation facilities, and access to clean water), their ability to access websites of world's largest animated moviemaker can hardly alleviate their impoverished condition. Even if one were to be enthusiastic about the "difference"

this capacity could make in the lives of the slum children, concerns still remain as to the ability (capacity and financially) of the Indian government to create, maintain, sustain and duplicate the sheer infrastructure across the country to support such learning for its 61.8 million – as per the most recent census conducted in 2001 - slum dwellers (Page 2007). What does this mean for long-term ownership of such projects?

By transforming the Bank into the Knowledge bank and providing it with the mandate to create / collect, and disseminate development knowledge, effectively, Wolfensohn attached the branding of “the-single-most-authentic-source-of-development-knowledge” to the label of World Bank. This carefully designed rebranding of pro-development neutral image offered more than just an endurance strategy to the struggling institution. It provided the necessary boost to the Bank to reemerge from its marginalized state as *the* acceptable knowledge institution for the development community, allowing it to continue on its usual quest.

#### **4.4 WDR 1998/1999: Institutionalizing *Knowledge for Development***

The 1998 / 1999 World Development Report titled *Knowledge for Development* (hence forth the K4D Report) is the other important vehicle in providing the “epistemological, political and economic premises” (Mehta 2001) for the K4D initiative. It comprised of ten chapters divided into three sections; Section 1: “Narrowing Knowledge Gaps”, Section 2: “Addressing Informational Problems”, Section 3: “Policy Priorities”. Each of the sections were developed around few central themes that addressed concerns about the existing state of the digital divide in developing countries (according to the Bank and in comparison to the advanced industrialized countries), the ways to resolve them (according to the Bank) and the theoretical presumptions behinds those resolutions (again according to the Bank). In order to do justice to this extremely pertinent document, I will only focus on three specific chapters of the report – the overview (under the first section) which provides a brief glimpse into the entire report, chapter 9 (*What Can International Institutions Do?*) which lays out why the K4D project should be a concern of international institutions and the role that the Bank envisions for other international institutions and itself; and chapter 10 (*What Should Governments Do?*) which discusses the role of government of developing countries in integrating the K4D initiative into their existing economic and development planning as foreseen by the Bank.

#### 4.4.1 A Flawed Beginning?

The elemental assumption driving the Bank's new knowledge initiative, as expressed in the Report, is the information gap existing between the developed and developing world. Resonating with the notion of information gap, is also the reference to the lack of sufficient knowledge (i.e. requisite knowledge for advancing development goals) in developing countries (in comparison to developed ones). Further, the existence of economic inequality between haves and have-nots is attributed primarily to the lack of knowledge:

Knowledge is like light. Weightless and intangible, it can easily travel the world, enlightening the lives of people everywhere. Yet billions of people still live in the darkness of poverty – **unnecessarily ... Poor countries – and poor people – differ from rich ones** not only because they have less capital but **because they have less knowledge**. Knowledge is often costly to create, **that is why much of it is created in industrial countries** (World Bank 1998/99, 1) (emphasis added).

In the Bank's view bridging knowledge gap between the developed and developing parts of the world would be integral to the success of its poverty reduction strategy. Therefore, by becoming the Knowledge bank, the Bank intends to install appropriate processes to ensure fair flow of knowledge between the developed and developing worlds and in turn, reduce the current knowledge gap (Ibid., 2, 6). Added to this, is also the (convenient) mention in passing of assuming the responsibility of "managing the rapidly growing body of knowledge about development" (Ibid).

Several concerns arise from this particular attitude of the Bank. The first concern is the concept of "knowledge" as understood by the Bank. The Bank's notion of knowledge seems to be no different than the relatively simpler notion of information or data. Writing in similar context, Mehta has defined knowledge as "the socially produced acknowledgement of the existence of real phenomenon and the characteristics they possess, presenting **a way of viewing** [vs. "*the way of viewing*"] the world" (Mehta 2001, 153) (emphasis added). Knowledge is certainly more "multifaceted" than information, which is largely factual and is understood to be apolitical. Inability to recognize this fine distinction between the two concepts may be considered a major weakness on the Bank's part. Failure to acknowledge the socio-political realities prominent in shaping "knowledge" leads the Bank to focus its efforts on addressing the challenges of "imperfect information" rather than concentrate on the bigger picture i.e. the relevant power relations responsible for creating this particular knowledge gap between the developed and

developing countries. The Bank's remark that people in developing countries do not have knowledge is therefore as inappropriate as the Bank's lack of consideration for socio-political, economic and cultural factors that do not allow sufficient ground for creation of knowledge in the global South or absorption of the same from the global South into the mainstream discourse (that is born in the North and dominated by the North). By suggesting that knowledge for development is something the poor lack, the report fails to appreciate the value of local and / or indigenous knowledge for development (Mehta 2001, 160). Who decides what is knowledge or for that matter, appropriate knowledge for development? The Bank seems to have ignored the entire debate concerning what can or cannot be considered knowledge, especially when such knowledge is created in the South. Further, the concern over one way flow of knowledge (from North to South) transcends the lack of infrastructure and modes of efficient communication. Unidirectional flow of knowledge could be an upshot of various factors such as: language barriers limiting participation in the primarily English language dominated discourse, existing institutional arrangements not providing sufficient opportunity for capture / expression of local knowledge, supposed presumptions that inhibit creation of an appropriate platform for expression of relevant Southern knowledge or simply, the inability of the dominant discourse to consider an alternative view point regarding development. Ideally, the priority ought to be changing the existing attitude and not just constructing state of the art ICT infrastructure. Sadly, the Bank's reform measures hardly reflect any change in the existing mentality and working culture that created the initial cry for reform.

The other prominent concern is the Bank's declaration of the managerial role it intended to assume with the launch of the K4D initiative. In doing so, it conveniently overlooked the paradox that was created in a development agency, like itself, with a research mandate of its own assuming the role of "managing the growing body of knowledge about development (World Bank 1998/99, 6). International institutions, such as the Bank, are portrayed through out the report as the only agencies that can facilitate cross-border flow of knowledge or invest in new research that will benefit more than one developing country (Ibid., 7). It is besides the point that such a declaration was made without any consultation with developing countries. What is the demand for such knowledge and how could cross border flow of research be made possible with the existing infrastructure and within the current framework of cooperation do not seem to be important issues of consideration for the Bank. The report does not identify any prior assessments

that were conducted by the Bank, any other international institutions or one or more of developing countries (and probably because it assumes that developing countries “do not have the capacity to create / share knowledge”). The lack of concrete evidence regarding the demand for such an initiative requires reconsidering the Bank’s motives especially given its prior propaganda (during the creation of the CDF and the PRSP) surrounding the issues of participation, ownership and empowerment. This attitude on the Bank’s part does not indicate any significant deviation from the days of SAPs.

Nonetheless, this attitude does express the Bank’s desperate need to create a niche for itself, which it can then propose as a comfortable zone of activity for itself. It is difficult to ignore how this emerging dynamic reflects serious conflict of interests for the Bank. A few considerations must be explored to understand this phenomenon better. First, during the past few decades, the Bank has grown to be probably the largest development research agency. It is not just the size of its research wing or the size of the Bank’s research budget that is of concern, but more importantly, the extent of influence the Bank has had in affecting policy making among its stakeholders through its research. Its research is one of the foremost sources of policy advice and technical consultation provided to its various stakeholders. Further, the Bank is known for being a strong proponent of neoliberal ideological principles in its attitude to development research. To what extent neoliberalism has been successful in achieving the development goals is a matter for a separate discussion. But the problem essentially seems to lie in the Bank’s reluctance to consider alternative points of view. Development knowledge is certainly a territory that requires exploration in all possible directions and this requires the facilitator of such knowledge to be flexible and open to diverse points of view. To what extent an institution (such as the Bank), that incessantly advocates for neoliberal thinking in development research and policymaking, can maintain a neutral facilitator role remains to be seen especially when it foresees its “managerial” role as “amassing this [development] knowledge, assessing it” (Ibid.). But of course, the Bank generously offers to adopt this new role of “making it [knowledge] available to others [since it] **is beyond the capacity (and self-interest)** of any single country” (Ibid.) (emphasis added).

#### **4.4.2 “What Should Governments Do”?**

It is clear then, that the task of narrowing the knowledge gap ought to (at least according to the Bank) come under the sphere of activities of governments in developing countries; certainly, from the Bank’s perspective only by reducing this knowledge gap can developing countries boost national GDPs, increase individual and household earnings, overcome environmental challenges, and enhance the living standards of its impoverished citizens (Ibid., 144). But how should governments go about accomplishing this mammoth task? The Bank suggests a three prong strategy. This strategy would require remaining receptive to external ideas and opportunities, the “right incentives and institutions”, and grassroots activities to “acquire, adapt and use knowledge effectively (Ibid., 144-145). But what does the Bank really mean by these and how does it see these being translated into policies / programs?

Not surprisingly, one of the most significant recommendations contains a heavy emphasis on adopting policies, which favor a more open trade regime. For example, to ensure competitiveness of domestic businesses and manufacturers at the international stage, the Bank suggests that governments need to be more open to enforcing international (ICT) standards and adopting up-to-date technology. Adopting international technology licensing and intellectual property standards feature heavily in this discussion. Little attention is paid to affordability issues that business owners in developing countries face when accessing expensive technological licenses and over priced intellectual property protected tools imposed by few monopolizing global ICT firms. Governments are advised to “facilitate the inflow of such knowledge by not restricting access to technology licensing or restricting the terms of such contracts” (Ibid., 145). Contrary to focusing on discussions that may resolve how small and medium sized business owners can receive subsidized or special priced ICT tools and remain profitable when competing with larger more well financed foreign firms, the Bank’s advice pushes governments to impose stricter intellectual property regulations. Such regulations are suggested as the only way to “access foreign technology through foreign direct investment and technology transfer – and to get access to foreign markets through trade” (Ibid., 146). These recommendations do not exhibit a substantial deviation from the Bank’s traditional focus on spreading free market policies. In comparison, creating new infrastructure and stricter regulations that help maintain the mobility of technology (“technology transfer” in the Bank’s words) only from North to South seems to be the Bank’s priority. Such an attitude hardly reflects a fair assessment of what developing countries

require. Contrary to the principles of participation and inclusion to which the Bank pays lip service, the prevailing mentality of thrusting what the Bank deems fit on developing countries is quite prominent through out this chapter of the K4D report. The recurring reference of technology transfer to developing countries (which conveniently does not highlight the origin of the transfer) is hardly any different than the existing unidirectional mechanism of knowledge flow from North to South. Of course, from the Bank's perspective, such a flow is probably the necessary prerequisite for a bidirectional flow of knowledge in near future.

Apart from suggestions of enforcing stricter intellectual property regulations, adopting up-to-date technology to attract foreign direct investment and maintaining open trade regimes the Bank also has few other recommendations for governments such as raising the cost of providing tertiary education. If the former recommendation constituted being "open to outside ideas" (Ibid., 144), the suggestion for privatizing tertiary education falls under the requirement of "strong local efforts to acquire, adapt and use knowledge effectively" (Ibid., 144-145). According to the Bank, investing heavily in the requisite infrastructure and system for this tertiary education would help prepare individuals in local settings to enhance their ability to integrate into the knowledge economy and adapt to newer ways of acquiring, absorbing and utilizing such knowledge. While on the face of it, such capacity building approach seems expensive although harmless, it is essentially a strategy to create and prepare a workforce that can serve the knowledge economy in the near future. The Bank is so convinced of the need for this new kind of workers and in the future success of the knowledge driven economy, that it encourages governments to invest in acquiring state of the art facilities and infrastructure and shift the burden of this expenditure to students by charging them higher tuition rates and removing any education subsidies. Consequently, the Bank's recommendations would transform the tertiary education system in developing countries to one where most students would not be able to afford decent post-secondary education for a reasonable cost (such as those currently existing in rich countries such as U.S., Canada, and United Kingdom), requiring the latter to finance their education through loans. Declining affordability of tertiary education is of course not of concern to the Bank especially given the "significant benefits" that "advanced training confers" upon the such newly trained young professionals (Ibid., 147). Unfortunately, the truth remains that this may hinder the ability of average and low income families to enroll their children into tertiary education



programs, which may in turn further directly or indirectly impact a developing country's overall poverty reduction aims and strategies.

Encouraging an open trade regime that enforces stricter intellectual property regulations, adopting up-to-date technology and preparing a workforce that supports the expansion of the knowledge driven economy only form part of the government's responsibilities (according to the Bank) in transitioning to the knowledge driven economy. The Bank also encourages governments to build capacity for people to communicate by creating ways for both way communications. The Bank provides examples of how developed countries have privatized their telecommunication industries. This has, apparently, improved access to services and provided more geographical coverage (providing telecom access in rural areas, for example), therefore providing reason enough for other governments to adopt similar strategies and speed up the process within their own boundaries. The discussion explicitly focuses on highlighting the abilities of international telecommunication giants to provide state of the art facilities and urges governments to welcome such providers (Ibid., 148). What the discussion fails to consider is the demand for such services within the population of the country and their ability to pay for the expensive services (irrespective of competition) provided by such private firms. The document goes on to highlight success stories across developing nations that capture the increase in variety of telecommunication services provided and increase in accessibility of such services (Ibid., 149) but does not comment on how they have helped reduce poverty or empowered the poor. What the advantages of increased accessibility of telecommunication services have had in the lives of the poor, fail to adequately interest the Bank's experts.

According to the Bank's WDR 1998/1999, adopting a K4D initiative and creating a knowledge driven economy requires the developing country governments to create a policy environment that help acquire knowledge, improve the learning capability of countries and achieve all this in the most cost effective and affordable way. In practical terms and according to the Bank's interpretation, this turns into creating more public-private partnerships and encouraging more open trade regimes that attract and retain large multinational service providers (since they are the only one with the capacity and the know-how), and investing in state of the art technology for education and infrastructure building. For the poor who do not have knowledge (as claimed by the report), convenience of such services would ensure accessibility to knowledge,

which in turn will eradicate poverty (as per the Bank's beliefs). Despite claims that the K4D initiative can bring the Bank closer to its end clientele and is a significant departure from the Bank's prior beliefs and attitude, in reality the report exhibits no such deviations. The spotlight still holds on the importance of private sector development, open trade regimes, deregulations for private firms and most importantly the fact that the capacity for change does not exist domestically but needs to be borrowed from abroad in order to achieve the necessary development.

## **4.5 Conclusion**

The core purpose of this chapter has been to attend to the question of whether the Bank's ventures into the realm of development knowledge present a stark departure from its earlier neoliberal inclinations. The answer is no; the various symbolisms of neoliberal policies (such as privatization, deregulation, foreign direct investment, open trade regime) prominent through out the conceptualization and suggestions for institutionalizing the knowledge ventures are quite evident in the K4D initiative. Sadly, the passion with which the Bank propels the momentum surrounding the emergence of a knowledge-driven economy is disheartening as it only indicates continuation of the institution's ever-growing distance from the practical problems facing the poor in developing countries. Pragmatic poverty reduction measures do not feature anywhere in these new knowledge ventures instead renewed emphasis on strategies of deregulation, privatization, open trade regimes, and public private partnerships – prominent elements of neoliberalism – are extremely evident.

## **Chapter 5: The World Bank's New Knowledge Fiefdom**

The World Bank's knowledge management program essentially promotes use of various channels of knowledge mobilization as well multiple mechanisms of knowledge sharing. These two functions help the Bank as well as its stakeholders / partners / clients acquire knowledge from one another (at least theoretically) and also disseminate knowledge using the various communication channels available to them. In this sense, the knowledge management program is expected to provide infrastructure and technical support to all those parties who wish to be connected to the Bank's multiple knowledge programs. But this is not the case in reality. An interesting element of the knowledge management program is its heavy focus on researching (i.e. knowledge production) and learning mechanisms. The Bank claims these to be support services that help disseminate development knowledge. Learning for capacity building is not problematic in itself but learning has to be put in perspective particularly when it happens under the supervision of World Bank, and in the name of knowledge management and sharing. A variety of virtual educational institutions, virtual and real think tanks, learning programs and projects have been put in place as part of the Bank's knowledge management program.

It is these learning programs that raise issue about the nature of the World Bank's knowledge management and sharing mechanisms and are at the core of the discussion in this chapter. To what extent are these various learning mechanisms merely sites of knowledge sharing? Could these learning mechanisms be considered sites of unidirectional knowledge mobilization (from North to South or more specifically from the Bank to its stakeholders, partners and clients), and if yes, what kind of knowledge is being mobilized through them? How is such knowledge mobilized and how is it justified before the development community? More importantly, is such knowledge capable of bringing about real transformations or is it simply a way of advancing a particular type of knowledge – neoliberal knowledge – that is integral to Bank's overall objective of furthering its neoliberal agenda?

This chapter contends that by disseminating development knowledge created and generated by and at the Bank, they intend to actively “educate” participating stakeholders on a version of development that falls within the paradigm of the Bank's ideological parameters. A plethora of knowledge sharing programs (or more precisely learning mechanisms) exist, as part

of the K4D initiative and it is not possible to attend to all of these in this project. However, the choice of discussing specific ones is directly correlated to the heavy promotion and publicizing they receive from the Bank. These are the ones that the Bank considers its flagship programs of knowledge sharing. It is important to pay attention to the extent of sharing these programs encourage vis-à-vis the extent of learning and acquiring knowledge from the Bank's staff and experts. This chapter argues that the emphasis is on disseminating knowledge that agrees with the Bank's neoliberal agenda, rather than on absorbing local knowledge into the Bank's own development activities.

### **5.1 The World Bank's Knowledge Management Program**

The Bank's knowledge management program was set up as a matrix organization via which information from various sectors and regions could be filtered and extracted (Pommier, *What and Why: History & Context* 2004). Initially the knowledge management unit was associated with the ICT group, reflecting the Bank's intentions to set up a storehouse of development knowledge. However, as the Bank began to shift its focus, more attention was paid to North – South and South-South information flow and exchange (Pommier, *How the World Bank launched a knowledge management program* n.d.). To strengthen and support these activities, and align the K4D initiative with the Bank's broader participatory / empowerment action, the Bank created "Networks"<sup>65</sup>. Furthermore, a formal Knowledge Management program along with a director position, knowledge manager positions for the various sectors, thematic groups<sup>66</sup> and Advisory Services<sup>67</sup> – all coordinated by the Sector Boards<sup>68</sup> – were also established. To maintain order in coordination and funding among these various groups, the Bank created Knowledge Management Council at the Vice-Presidency level (Pommier, *What and Why: History & Context* 2004). The knowledge management unit was shifted during mid 2000s to the

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<sup>65</sup>The five different networks at the World Bank are: Financial and Private Sector Development, Human Development, Operations Policy & Country Services, Poverty Reduction & Economic Management and Sustainable Development. Each Network is supported by an individual Office of Vice-Presidency who reports to a Network Managing Director (MD). The Network MD directly reports to the Bank's President.

<sup>66</sup>Thematic groups or communities of practice further delineated the work of sectors, e.g., Education being further refined into girls' education, science and mathematics education, educational technology, early childhood development, etc.

<sup>67</sup>The idea of a knowledge broker service called Advisory Services. These came to exist as small-dedicated services helping to draw all resources and experts together, a one-stop shop for info by sector.

<sup>68</sup>Senior staff who represent the various developing regions and Sector Directors.

Vice-Presidency Operation Core Services to reflect the inclusion of this new purpose with the Bank's core activities (Pommier, How the World Bank launched a knowledge management program n.d.).

### **5.1.1 Key Principles of the Knowledge Program**

The World Bank's knowledge program was founded on three key principles (Pommier, What and Why: History & Context 2004):

1. Utilizing information as efficiently as possible to improve the quality of the Bank's services and programs. For this, the Bank created "Thematic Groups (TGs)" responsible for systematically collecting and organizing information and expertise gathered by the former and other similar organizations in their areas of specialty. The Bank appointed "Advisory Services" (such as "Ask us") that extract the necessary knowledge from this information and distribute it to expert individuals and groups (within the Bank and its various stakeholders) engaged in similar projects across the globe.
2. Sharing knowledge between the Bank's patrons and associates. Following the launch of the CDF and the PRSPs, the Bank reoriented its focus on a variety of innovative ICT programs that helped improve knowledge sharing and facilitation.
3. Working with clients to help improve their ability to utilize knowledge from various sources to aid developing countries to create a trained and more technologically equipped work force who can handle the challenges of institutional transformations in this age of ICT. This aim is integral to the Bank's broader goal of poverty reduction.

It is important to outline key observations at this point. With regards to the first principle, a number of problems exist. What is systematic collection of knowledge? Who decided how such collected knowledge is to be organized and categorized? Who are these experts and who certifies their expertise? As staff and consultants of the Bank, how impartial are their decisions and judgments given their active involvement in filtering acquired knowledge and separating useful knowledge from useless? To what extent the knowledge disseminated back in the knowledge network is truly reflective of the raw knowledge acquired from local sources? Or is such raw

knowledge processed further before dissemination? Who decides what kind of knowledge is appropriate for complementing a local project? Unfortunately, answers to all of these questions are subjective and therefore contentious and concerning.

This draws attention to the problematic second principle. The fact that knowledge sharing and facilitation cannot be completely objective has already been established. The subjective nature of knowledge facilitation calls into question the Bank's relationship with its patrons and associates. Are both parties involved in such relationships on the same level, i.e. is their relationship reflective of ideal power equilibrium? Hardly, instead the Bank's relationship with its patron, depending on who they are and what is the nature of their involvement with the Bank influences the power hierarchy that may exist in such a relationship (Mosse 2001). Such patrons include a variety of state and non-state actors and the degree of power relationship between the Bank and such actors may be different depending on the nature of development activities they undertake. More explicitly put, the Bank may be able to thrust its weight more easily on non-state actors like a local development non-profits which are tied to the latter through contracts, funding and consultancy than on a state which has a more official relationship with the Bank and may be less power privileged than the local non-profit. The reverse is also possible especially with very poor countries who are quite dependent on the Bank's lending capabilities to keep the state running and the paralyzed state bureaucracy within whom reinforces a more powerful position for the local non-profit that the Bank deems to be less corrupt and more easily held accountable. The point of highlighting the dynamics of power relationship between the Bank and its patrons and associates is that all patrons and associates do not have the same relationship with the Bank and therefore their interactions and experiences with the knowledge management and sharing programs may not be uniform. This in turn influences the knowledge they acquire from the Bank and how such knowledge is utilized locally and its varied implications.

The third principle highlighted here is probably the most problematic of the three. It is instilled with problematic assumptions such as: clients do not know how to utilize knowledge that they acquire and developing countries do not have trained and technologically equipped workforce who can institutionalize ICT in their administration. The first presumption is probably a continuum from the Bank's claims in WDR 1998/99 that poor do not have knowledge. This kind of vague assertion only reinforces Bank's unchanged attitude toward development and

undermine the capacity of state and non-state actors. What the Bank is referring to by utilization is also not clear and without a clear definition it is impossible to articulate with certainty whether a client can or cannot utilize knowledge for project planning. The other abysmal claim in such an assertion is the broad generalization that is associated with client capability. Surely, not all clients have the same capabilities, resources and right opportunities to employ acquired knowledge or may be they do not employ acquired knowledge in a manner that is in agreement with that of the Bank.

Regarding the second presumption, it is hard to disagree with the Bank on the issue that all developing countries (it is quite evident that the Bank is referring to developing countries here as clients) may not be equally equipped to handle the challenges of institutionalizing ICT in their everyday function. The suggestion of preparing a new work force may be considered valid to some extent except as a suggestion from the Bank it raises suspicions. Would it soon be followed with push for changing education training policies, diverting funds from elsewhere to install expensive technological equipments in schools and colleges or may be privatizing higher education to accommodate such expensive training, opening the market to multinational information technology companies who can install such technology? Further, would it involve more indirect interventions from the Bank's experts in the form of providing technical consultancies to the governments of such countries? None of these are unusual suppositions given the Bank's track record. In fact, they are exactly aligned with the WDR 1998/ 99 in many ways as already discussed in the previous chapter. The more obvious and important concern here is the nature of activity that is occurring behind the label of facilitation and sharing as advocated by the knowledge management program.

### **5.1.2 Integrating knowledge management with the Bank's core operations**

The first three years (1997-2000) of the Bank's K4D initiatives were funded by the Strategic Compact. The World Bank spent three percent of its annual budget to fund the knowledge-sharing program (compared to the approximately two and half percent it spends every year on development research). This caused the number of thematic groups to grow by three times between June 1997 and 1998. Further, this also made it clear to the Bank staff that the institution was serious about incorporating knowledge sharing at every level of its operation. Of

the total funding received by this unit, approximately ten percent was used on technology, two percent covered the administrative expenses of the central coordinating unit and the remaining (almost ninety percent) was used to provide support the thematic groups and the sector helpdesks which worked hands on with the Bank operations. (Pommier n.d.). At present the number of thematic groups have grown to more than 120. Despite funding these networks directly, the Bank makes strong claims of no interference in the workings of these “self-organized” groups (Pommier n.d.).

Once knowledge sharing had been made a core activity of the Bank, the institution went one step further and introduced a formal personnel evaluation system to ensure that Bank officials were making an active effort to integrate knowledge sharing and learning mechanisms in their day-to-day activity (Pommier n.d.). Although a new performance evaluation system was installed, it was not very different than the evaluations systems existing during late 1970s and 1980s under the Bank President Robert McNamara. McNamara was known to have popularized the mentality of “loan approval” culture among the Bank staff because of his belief that staff output was best measured in terms of the timeliness of concrete deliverables (Payer 1982) especially in relation to intangible consulting roles. Wolfensohn’s convictions about evaluating the Bank staff’s performance on how quickly they adapt knowledge sharing and integrate it with their primary functions seemed to closely follow that of McNamara’s. His commitment to successfully integrate the knowledge management and sharing mechanisms with the Bank’s day-to-day operations were probably best portrayed by the fact that where staff “cynicism and posturing remained ... it [was] supplemented by a series of monetary rewards” (Pommier n.d.).

Keeping in mind the challenges of capturing local knowledge from diverse sources, the Bank has created various channels of communications under the umbrella of K4D initiative. An example of knowledge sharing mechanism, as outlined by Pommier (n.d.), a Senior Advisor at the World Bank’s Network Operations and Knowledge Sharing Program would help understand this better:

... a number of thematic groups are providing a mentor for each new recruit to quickly familiarize them with sector strategies, lending procedures and key professional contacts. Every staff can also call a help desk, where packets of information and referral services are available. Seasoned professionals will attend and contribute to technical clinics (working lunches of one-to-two hours) or search the knowledge collections on the Intranet. **Externally, knowledge sharing takes place virtually on the Web, and face-**



**to-face with clients and partners, either during field missions or during sector weeks organized annually by sector boards and their thematic groups** (emphasis added).

Managing the Bank's knowledge program internally, according to the above statement, includes "mentoring" new "recruits", "familiarizing" them with Bank's ways of working, providing them with "packets of information" and "referral services" (Pommier n.d.). Even among staff and experts within the Bank, this hardly sounds like facilitation and coordination. It sounds more like instilling a certain kind of knowledge and training that the Bank advocates for, among its staff. While as an independent organization, the Bank is free to install whatever knowledge and training it deems appropriate within its internal structure; the implications of such knowledge and training may not be entirely limited to the Bank's interiors. The knowledge and training that the Bank staff receives does impact the nature of their relationship with external clients, partners and stakeholders especially when in roles of consulting, advising, policy planning and so forth. If the Bank staff are entrenched with "packets of information" and "sectoral strategies and procedures" developed and distributed by and within a neoliberal institution such as the Bank, is it possible that the knowledge transfer between the Bank's staff and the client (during consultation and planning) simply helps advance the Bank's neoliberal agenda.

## **5.2 World Bank and its Various Knowledge Programs**

In light of the discussions so far, this section reviews some of the knowledge programs established by the Bank as part of the K4D initiative. Given the immense thrust on ICT and integrating ICT with development, it is no surprise that almost all of these programs appear in digital / electronic format. They constitute three main types of electronic resources: 1) development research and knowledge depositories, 2) distance education / e-learning mechanisms and 3) purely multidirectional knowledge transfer and sharing systems (Pommier n.d.). However, these categories are not mutually exclusive i.e. many of the existing initiatives may provide more than one of these three services. Most developing countries are usually not adequately equipped to cope with the ICT demands of the Bank's initiatives and do not have the necessary physical infrastructure to support the former. Therefore, most of the above three service offerings in poor countries are also combined with infrastructure and capacity building activities / consultations from the Bank.

There are two reasons behind selecting particular programs that will be discussed in this chapter. First, they are considered flagship programs by the World Bank itself and most widely publicized and recommended (as per their frequent occurrences on the Bank's website and officially published literature) by the Bank. While this is an important consideration, it is not sufficient. Hence, the second reason; based on factors such as size, budget, staff capacity, global availability, frequency of citation in expert and scholarly discussions, most often used by clients, allocation of dedicated web resources, and established as part of the Bank but later relocated in developing world as a spinoff organization.

Some prominent examples of development research and knowledge depositories are the World Bank Institute (WBI), the Global Development Network (GDN) and the Global Knowledge Partnership (GKP). The primary focus of the WBI is on capacity development among development practitioners in both public and non-profit sector to help advance poverty reduction efforts. It provides research and policy support in form of customized and sector and / or issue specific training and learning material to individuals and groups (World Bank Institute 2009). Interestingly, to achieve this the WBI offers customized and sector/issue specific training and learning material to individuals and groups. It has been one of the most important research institutes within the Bank and continues to be funded and administered directly by the Bank (World Bank Institute 2010). Incidentally, the GDN has somewhat similar mandate except it reemphasizes the need for multidisciplinary approach to development research (GDN 2010a). GDN differs from WBI in that it was created by the Bank in house but later was relocated in Malaysia as a spinoff "independent not-for-profit research organization". In this sense, it is also one of the few knowledge programs that are actually located in the developing world. In contrast, the GKP's core mandate is to reduce the knowledge gap between North and South through use of various digital tools. It works with public, private and non-profit actors to "share knowledge and build partnership to realize the transformative potential of knowledge, communication and information technology to improve lives, reduce poverty and empower people" (GKP 2002).

The Bank's knowledge programs especially those that conduct research, act as knowledge depositories and also promote knowledge sharing are criticized for their inability to stay neutral in the process of knowledge facilitation. Even as spin off organizations, they are unable to escape the influence of the Bank as they acquire funding and staff from the latter. Senior management

within such organizations is primarily ex-Bank staff (as expected in a spin off organization) and they are unable to escape the dominant attitude and culture displayed within the Bank's organizational culture (Wilks 2001). This affects which partners they decide to work with, how they select such partners and the kind of relationship they maintain with such partners. Even as organizations performing dual role, such programs tend to place more importance on integrating knowledge sharing practices with everyday development administration rather than prioritizing how such knowledge can be applied locally (Jha, Seymour and Sims 2004). This is partly a problem arising from their mandate, which requires them to close the digital gap between the North and the South. That technology is simply a tool that can help circulate knowledge among more players but cannot overnight eliminate basic problems of development is often overlooked in such knowledge programs (Wade 2002). Further, their overt emphasis on acquiring ICT tools to bridge the development gap is unable to generate more representative participation from Southern organizations partly because Southern organizations do not always have the necessary infrastructure. Even if they invested their limited funds in acquiring the necessary tools, they would be diverting funds from elsewhere which may be presently meeting more basic needs (Wilks 2002).

The Development Gateway (DG) is one of the most well known and probably the largest knowledge program by the Bank in terms of its spread and clientele. The DG works with a range of stakeholders to ensure enhanced awareness and improved learning about development issues and challenges (Development Gateway 2010). DG offers development professionals a platform for mutual exchange and sharing of knowledge and learning (Development Gateway Foundation 2008). As an organization funded exclusively by governments of rich industrialized countries, the DG is quite a problematic venture. China and India are also contributors but this is largely related to their interests in promoting the growing IT sectors within their countries and capturing business for the latter. Multinational corporations such as IBM, Hewlett Packard, Memphis, Microsoft and Intel are also substantial contributors to DG. In fact their CEOs and managing directors occupy important positions in the governing board of DG (Ibid). Further, senior officials from the Bank also occupy such positions. Evaluation of the nature of activities undertaken by the DG suggests that a substantial portion of its contracts is from the Bank itself and not acquired through official bidding processes. Hence, while the DG may publicize itself as having a wide variety of clients, essentially its biggest client is the Bank itself (Jha, Seymour and

Sims 2004, 9). The strongest criticism of the DG has been that consultations with Southern agencies have been sugarcoated in the media to cover-up accusations that the DG does not meet most of their basic needs (Ibid., 13). In its learning mechanism, it has been accused of circulating knowledge content that does not address challenges facing development practitioners (especially among local agencies), rather, reinforcing Northern bias in knowledge supplied to clients (Wilks 2001). In fact, editorial activities within the DG are criticized for their biases in promoting particular types of knowledge. Development practitioners from the South are encouraged to forward submissions to the DG but such submissions rarely find their way into educational content promoted through e-learning mechanisms (Jha, Seymour and Sims 2004). Further, compared to other e-learning knowledge programs such as Eldis, OneWorld and so forth, the DG's content is primarily focused on economic and technological issues that reemphasize dominant neoliberal agenda (Ibid. 22).<sup>69</sup>

Similar problems have surfaced with programs such as the Global Development Learning Network (GDLN) and the African Virtual University (AVU). GDLN is a collaborative initiative among more than 120 recognized global institutions across 80 nations. It offers innovative learning solutions for individual and organizational stakeholders involved in development (GDLN 2000). GDLN promoted sessions are usually a mix of various different learning methods such as discussions with panels constituting of professionals and practitioners, case study learning, policy framework analysis, digital and online database tools and generally disseminated through one-on-one, video conferencing and e-learning procedures (GDLN 2000a). Although GDLN is basically just another online tool to facilitate knowledge sharing and management, its implicit focus and probably the most important (and controversial as well) contribution is in creating and developing the content it disseminates.

Criticism of GDLN focuses on the organization's tendency to promote pre-packaged information across various countries, which do not account for country specific challenges. This attitude is seen to reflect the Bank's old "one-size-fits-all" approach and lack appreciation for "local realities, concerns, expertise and voices in the conceptualization, the design, and delivery of these programs" (Assié-Lumumba 2008). In fact, the training provided by GDLN is seen as primarily technological and aimed at preparing workforce for adapting technology to

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<sup>69</sup> Eldis and OneWorld are popular development research portals (just like development gateway, although independent organizations) available on the worldwide web.

development practice. Courses with economic and technological focus are amply available through GDLN yet course that would equip client / learners with skills that would help them resolve immediate and short-term real challenges are missing or at best few (Ibid., 239). This is primarily attributed to decision makers sitting in the Bank's headquarters in Washington D.C. who impose a top-down framework of activity in conceptualizing and designing courses, deciding what contents to be included, and selecting instructors for such courses. Such courses are generally offered from main office in Washington D.C. and the claim of customized programs for development professionals is genuinely a myth (Ibid., 243).

AVU, on the other hand, is an intergovernmental organization whose goal is to use ICT to provide Africans from all corners of the continent access to superior quality higher education. It uses distance learning and e-classes to provide post-secondary education to individuals across Africa (AVU 2010 a). Students and local partners of the AVU have consistently complained about the paternalistic attitude of the Bank and the inability of local partners and professionals to participate in design of course content. One of the problems with AVU offered distance-learning programs has been their exorbitant cost, which makes it difficult for poor African countries to afford them or provide them for their students (Assié-Lumumba 2008). The ability of digital technology to provide education that can complement local needs has been seriously questioned. In fact, Okuni (2000) suggests, "that the World Bank concept of the African Virtual University (AVU) appears to be a lifeline from "cyberspace"" and raises a very important question: "will higher education through the Internet be an appropriate antidote for Africa's educational malaise?" (Okuni 2000).

### **5.3 Conclusion**

Few remarks are in order at this point. First, almost all the initiatives reviewed here practice learning and sharing methods that one way or the other complement the Bank's existing projects and practices. Second, the knowledge programs created as part of the Bank's knowledge ventures are essentially sites of power production. They are conveniently located across the developing world and claim to have a distinct characteristic yet their organizational nature and activities are very similar. Through their strong ties with the Bank and mobilization of neoliberal knowledge they constantly reproduce and continuously reinforce the North-South power

hierarchy. Third, the nature of infiltration that these knowledge programs have achieved through their widespread presence in developing countries cause further dependency of the latter world on the Bank and allow the Bank to intervene in the latter's internal domains without creating much opposition.

In light of these observations, one can hardly consider the Bank's knowledge ventures to be of benign nature. They do not reflect a stark departure from the neoliberal agenda advocated by the Bank. On the contrary, knowledge activities, such as capacity development work, knowledge generation and sharing activities, and customization of research for problem solving, are simply sophisticated, well-rationalized and highly persuasive excuses for installing new mechanisms of control. Perhaps, it suggests the inception of a knowledge fiefdom that reigns over the realm of development knowledge.

## Chapter 6: Conclusion

This project presents an assessment of the World Bank's present approach to international development. It does so by examining the knowledge ventures (the K4D initiative and the Bank's transformation to a knowledge bank) that have been adopted as part of the new and alternative development agenda (that is the CDF). The adoption of the CDF during the post-SAP period (mid 1990s onward) supposedly marked – as claimed by the Bank – the beginning of a new era in development. Practically speaking, it emphasized cooperation between the Global North and South and also participation of local actors and agencies from the Global South in planning projects that could be more relevant and meaningful in the local context. The launch of the new development agenda may have officially marked the end of the neoliberal crisis facing the World Bank and the development discourse. The failure of staunch neoliberal policies to generate sustainable and long-term economic growth in developing countries provided a very valuable lesson to the development community: neoliberalism may not be the simple solution to the complex problem of underdevelopment in poor countries. Consequently, critics of the previous development agenda expected that the new development agenda would promote alternative thinking about development. International development agencies like the Bank exhibit such thinking in rhetoric but this project demonstrates that they are far from inculcating alternative thinking in everyday practice. Therefore, this project reasserts that while the Bank has incorporated changes in approach, its intent still remain the same. The inception of the knowledge ventures, the design of the knowledge management program and the Bank's controversial role in facilitating knowledge sharing and management indicate a combined effort to reinforce the earlier neoliberal order.

A few clarifications are in order at this juncture. First, this project has adopted a post-structuralist perspective in examining the Bank's knowledge ventures and this approach has its own limitations. It provides an extremely useful analytical tool of deconstructing ideas and discourses and therefore moving beyond an analysis that is merely limited to an institutionalist or statist perspective. At the same time, the post-structuralist perspective has its limitations, primarily because of its inability to provide a plausible alternative framework (at least in the current context) and any alternative solutions. Further, while a post-structuralist perspective helps

generate awareness of the various ways knowledge / power binary exist and is deeply embedded in everyday practices, it does not suggest how they may be avoided or overcome. This project is, therefore, aware of the limitations of the theoretical approach adopted here. Nonetheless, the purpose is to promote caution about excessive excitement surrounding the Bank's knowledge ventures and not to take on an ambitious task of total dismantling.

In the same context, the second concern is with respect to the application of the ICT in international development. This project by no means suggests throwing the baby out with the bath water. ICT can be and in fact have been very useful tools for installing positive changes in international development. There is ample evidence in scholarly literature and practice to suggest this. However, it is important to realize that ICT is simply a technical tool with multiple useful applications that can enhance the development experience but by no means fix the underdevelopment problem overnight. Suggestions that claim otherwise are reductionist and undermine the complex and varied nature of underdevelopment in poor countries. In this sense, this project is not against the integration of ICT in development practice but simply calls for more awareness of how such tools – like any other tools – can be abused to reinforce existing power hierarchies. In fact, this project must acknowledge that the Bank's move to adopt a less interventionist and more subtle approach to development may very well have been a positive byproduct of the ICT revolution. None can deny the contributions of twentieth century telecommunication and World Wide Web in connecting people across borders, providing them with an advocacy platform to voice their opinions, offering them opportunities to seek accountability and transparency from institutions such as Bank and successfully creating a reactionary global social movement such as the Anti-globalization movement.

This brings one to the discussion of the World Bank's role in trying to consolidate global development knowledge. While the Bank plays a controversial role in global development knowledge consolidation and its ideological beliefs and historical legacy cannot be separated from its present activities, it is also important to consider why this initiative of the Bank has been so well received (despite sporadic comments and reactions) across the Global North and South. The sheer infrastructure, human resources and financial capability that rests within the Bank is hardly comparable to any other international agencies in international development. Further, the arrival of the ICT revolution has made it easier to quench the huge demand for development



knowledge that has existed for a long time. The benefits of sharing, collaboration and exchange of ideas are very powerful and should be encouraged in development practice. In this sense, the Bank fills a void that probably no other institution can. This project is not disassociated with this practical realization.

Furthermore, this project is essentially a theoretical effort to highlight some of the conceptual problems that surround the Bank's knowledge ventures. More than a decade has gone by since the inception of these ventures. In this sense, this thesis presents a historical analysis of the theoretical justifications surrounding the Bank's knowledge ventures. Hence, in the present context, it is imperative to evaluate where the Bank's knowledge ventures stand and what their impact and contribution has been to international development (both intellectually and in practice). This may also be a good time to conceptualize projects about how these ventures have helped generate any positive transformation (in terms of ownership, reducing dependency, creating sustainable development and adapting to local circumstances) for poor countries and what lessons can they offer practitioners. It is no secret that Northern biases exist in the intellectual realm concerning international development and research should further investigate what role the Bank's knowledge ventures have precisely played in curbing or promoting such biases. Have they been able to promote the entrance of more research from the Global South in the international intellectual realm and what implications has this had for international development? In connection to the role of ICT in development, it would also be important to investigate how the integration of ICT in development has redefined the triangular relationship between state, non-state and international actors. Research activities in areas such as e-governance policies (a direct impact of ICT integration in development) and how they reshape state-citizen relationships could also have valuable implications for the discipline.

## Epilogue

During the summer of 2008, I worked as a researcher at a recently established not-for-profit foundation (hence forth the Foundation) in Edmonton, Canada<sup>70</sup>. The Foundation was established by a group of wealthy Canadian-South Asian business owners who had migrated to Canada during 1960s, and now wanted to contribute toward the betterment of the impoverished and marginalized in Canada – the indigenous communities and the low income migrant families - as well as for the poor in their home countries. Even as a nascent organization, the Foundation was ambitious and was considering extending operations to developing regions beyond South Asia, such as sub-Saharan Africa, Latin America and Eastern Europe. My responsibility as a researcher was identifying key development priorities across relevant developing countries, conduct further research on these issues and design implementable projects to address these concerns.

Before I delve further into discussing my work at the Foundation, it is important to digress for a moment and discuss the recruitment process that led to my appointment at this organization. This is important as otherwise it would be unfair to continue to discuss this project without explicitly referring to the core rationales that led me to conceive this thesis. The recruitment process was three months long and involved four rounds of qualifying interviews at the various levels of the organization. These interview sessions tried to capture the candidates’ genuine commitment to issues of poverty<sup>72</sup>, equity and justice. The Foundation repeatedly emphasized its ways of working that focused on grass-roots capacity building, encouraging participation and in turn empowering the participants to become fully capable citizens. Further, there was an unspoken undertone of moving away from the “neo-colonial” attitude toward development that governments and civil society organizations (CSO) in developed countries exhibited. The Foundation was strictly against using words such as “borrowers” / “lenders / creditor”, “donor”, “recipient”, “Third World”, “Global South” and so on and so forth in formal

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<sup>70</sup> For obvious reasons, I have chosen not to identify the organization, my supervisor or co-workers by their names and prefer to keep their identities anonymous.

<sup>72</sup> For the purpose of this project, I consider poverty as a combination of economic inequality and social inequality. Social inequalities such as unequal access to health care and education rise primarily because of lack of sufficient income, and therefore, it would be useful to consider both economic and social inequalities together when discussing poverty”.

documents, let alone in casual conversations. I later learned<sup>73</sup> that I was selected because of my nationality (citizen of a developing nation – India) and first-hand experiences of grown up and also living / working in many developing countries. I speak of the recruitment process in this manner because of the highest moral, ethical rigor and passion that the Foundation demonstrated toward the issues of poverty, inequality and justice, which I found quite impressive. It genuinely made me hopeful about the organization’s commitment to creating and / or facilitating actual change, rather than simply paying lip service to a plethora of existing “make poverty history” movements. Sadly, I would soon find out that the Foundation was en-route to becoming another shareholder in this ever-expanding “business of development” which hopes to save the “third world” from the so called menace of poverty but fails to provide a real and lasting impact.

The very first phase of my work involved researching an issue that required urgent attention and developing assessment papers on that particular issue. It included a comprehensive analysis of historical, political, economic, social, cultural and environmental background of the country, followed by various sections that analyzed the status of the issue including its overall and specific impact on the community, key organizations – governmental, bilateral and multilateral aid agencies, international and grassroots CSOs engaged in addressing the issue, their past and current projects on the subject, level of success of such projects, key areas unaddressed (to avoid duplicity of efforts) and therefore the scope of involvement of the Foundation including the political, financial, legal and human resource implications.

Towards this end, I was advised to consult a variety of reliable sources- reports, position papers, policy papers and statistics produced primarily by international institutions such as the United Nations and its specialized agencies, the World Bank, the International Monetary Fund and bilateral agencies such as U.S. Agency for International Development (USAID), United Kingdom Department for International Development (UK DFID), Canadian International Development Agency (CIDA) and so forth. I was asked to refrain from using resources published in academic journals (unless it was to support a theoretical claim) and minimize consulting reports, statistics and online resources of governments in developing countries, as they may not

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<sup>73</sup> This was something mentioned to me informally, couple of times in the middle of casual conversations with my supervisor. I was reminded that it was a hard decision to make but the Foundation felt that being born and brought up in a developing country would certainly make a difference in the way I perceived issues of poverty.

be accurate, up to date or reliable<sup>74</sup>. The tone of the writing had to be passive, dispassionate, extremely objective and supported by quantitative evidence as much as possible; otherwise the Foundation's work would not be taken seriously (by funding organizations in the development community). The majority of our project designs and documents were *inspired* by that of the Bank's or the Fund's reporting frameworks. They included but were not limited to implementation plans, risk analysis, monitoring and performance evaluation measures. In fact the content and design of legal contracts between the Organization and the partnering governments or local CSOs were also drawn upon consultation with that of institutions such as the Bank and the Fund<sup>75</sup>. In selecting local partners for projects, the Foundation preferred CSOs which were already partnering / collaborating with acclaimed international institutions and development agencies on projects as they were perceived to be reputed and standardized organizations. Over the next four months, I was heavily involved in consulting all kinds of research, publications and project documents of the Bank and the Fund and studying them for our assessment reports. The majority of these projects focused on tackling issues of rising unemployment and rehabilitation, private sector development, microfinance, enhancing youth and women's entrepreneurship, increasing the reach of industrial and technical education and so forth.

The most startling part of this experience was probably my day-to-day interactions with the Bank's<sup>76</sup> research and publication materials. Information<sup>77</sup> on the Bank's website is categorized under three main headings: "Projects & Operations", "Data & Research" and "Publications". These do not include some of the other major links (with many other sub links) such as "news", "learning", "countries" and such. A scan of the website and its "site map" indicated more than 120 links. There is a plethora of information – the Bank's product and services, area of expertise, partnerships, data, statistics, indicators, advanced analysis, household surveys, reports, project briefs, project outputs, project evaluations, policy research papers, research evaluations, research and academic articles published in the World Bank journals, just to

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<sup>74</sup> Such a belief arising from the fact that governments obviously would like to play down the urgency of the situation in hand

<sup>75</sup> Further to this, I soon came to know that my immediate supervisor was also working as a contract consultant to the Bank and frequently traveled to Washington D.C. to continue her project work there.

<sup>76</sup> Although, previously I have discussed both the Bank and the Fund, from here onwards I would solely limit the discussions to the Bank, which is the primary focus of this project.

<sup>77</sup> A search for definition of the word 'information' reveals quite varied and differential meanings across various popular dictionaries. For my purposes here, I will stick to the meaning highlighted in Oxford Dictionary, i.e. information is a fact or knowledge provided and / or learned.

name a *few* (World Bank 2009). Information is also cross-referenced by region, country, level of income (middle income, low income and fragile states) (World Bank 2009a) and relevant topic – agriculture and rural development, health nutrition & population, education, climate change, children & youth, AIDs, anti corruption, economic policy & debt issue, energy access & renewable, faiths and development, financial crisis, food crisis, gender, globalization, water, urban development, transport, trade, social development, public sector development, governance, poverty, law and development, macroeconomic growth, migration and remittance and the list continues (World Bank 2009b). The Bank seems to be a one-stop shop for all development related queries. It has resources for developing country governments, for lenders (that is development finance providers) and developed country governments as well as for CSOs, for the media and press, for the youth to build awareness as well as be more ethically and morally responsible citizens. This is exclusively the website of the World Bank and does not include that of the resources available on the sites of institutions such as International Finance Corporation (IFC), Multilateral Guarantee Investment Agency (MIGA), which also belong to the World Bank group. It is not a matter of just first interaction, but even after many interactions, it would be difficult not to consider the Bank a “complex organization” with its *web* of very intricate activities (data collection, analysis, policy development, technical advising, advocacy, lending, and so on and so forth) on a very multifaceted set of issues.

Nonetheless, one cannot help but be impressed by the “commitment” and “passion” reflected in the Bank’s work. Transforming itself into a massive concern that satisfies the information needs of so many - CSOs, bilateral and other multilateral aid agencies, developing and developed countries across the world, private philanthropies and corporations - is no easy job but the Bank seems to have mastered it quite efficiently. Despite the severe criticism that the Bank faced during late 1980s / early 1990s, it is probably one of the institutions which far from fading, has simply grown in importance and relevance on the international stage. Such criticism does not focus on any single issue but involves a wide range of problems, and seem to have crippled the overall “development project”. To touch upon the important ones, the Bank has received most criticism for its ideological beliefs (specifically for its staunch neoliberal ideological beliefs), its relentless pursuit of creating free market economies in developing countries and its too close relationship with its Anglo-American founders.

Despite the limited success and repeated failures of its prescribed policies in more than few instances, the Bank continues to push the same policies – policies that lack any concrete revisions but are simply different in their overall packaging. Behind the curtains of “project financing” and “lending” to poor countries, it continues to contribute to their growing debt portfolio – debts that are almost impossible for many developing countries to pay back. The Bank has also been heavily criticized for biting off more than it can chew, expanding its operations enormously, and losing focus of its priorities. The mentalities of its senior management and officials and the “loan approval culture” are criticized for crippling the Bank’s “corporate” culture. Some critics have even identified a parallel between the Bank’s reform policies in developing countries with that of the political and economic reforms adopted by European imperial powers in parts of Asia and Africa during colonial times.

Nevertheless, it would be foolish to say that the Bank has succumbed to this abundant criticism and not been able to manage an appropriate response to it. It has successfully transformed itself from a predominantly international finance institution to a development “giant” – suffice to say that there are not very many international institutions that can take credit for being a lending organization, a development agency, a research institution and a knowledge bank (KB), a more recent venture of the Bank, all at the same time. This in turn helped create an indispensable role for the Bank in the development community.

To those who closely follow and study the politics of development, the discussion spanning the last few pages is in reality nothing new or unique. However, it is quite different to have heard and learnt about something vis-à-vis actually interact with it. The repeated emphasis at the Foundation to adopt appropriate methods and mentality about the poverty issues in developing countries create a somewhat different expectation than those prevalent in the culture of international institutions such as the World Bank. Within the Foundation, the focus of the work – at least apparently – was to listen to the poor and work solely for the benefits of the poor. Even though the Bank claims to hold the same belief, its actions and attitudes hardly comply. This is not just my individual conclusion but also one that was shared by my manager at work. Yet, the Foundation depended heavily on the information and analysis provided by the Bank. The fact that the institution’s offering seem to be substantially different from that of the needs and may be even demands of its end clientele did not seem to matter much. Organizations such as the

Foundation seek to improve the lives of the poor yet they apply policies, design projects and implement programs that are advocated primarily by the Bank. Despite the repeated failures the Bank has encountered over the past three decades, its significant influence in the development community, especially in terms of research and information production has hardly declined. At the cost of generalizing based on a single experience, I do not mean to oversimplify the problem. However, in my position, two important questions really concerned me.

First, despite claiming to do more grassroots work and having a more humane approach to development, increasingly CSOs (both global and local) and philanthropic organizations seem to be reiterating the same attitude as that of the Bank in their work. This has been even more prominent over the past decade, essentially since the adoption of the PRGF programs and the launch of the PRSPs. In this new development agenda, CSOs have earned a seat in the decision-making and planning table. However, to what extent this has changed the nature of the business remains to be seen. It probably has not but it has made it possible for the Bank to effectively crush one of the major oppositions that stood in its path. By inviting the CSOs to join the planning circle, the Bank has conveniently absorbed them in its circle of activity and produced new agents for spreading its mission of neoliberalism.

Second, my experience at the Foundation also led me to evaluate the various players - especially the smaller and non-state actors - in the development community, their day-to-day need for development knowledge (information, analysis, statistics, and up to date research) for their work and their dependency on institutions such as the World Bank. Since mid 1980s, the rise of new and organized class of actors, the civil society actors, across the globe has been prominent. As an increasingly integral actor in actualizing grassroots development, their dependency on information is acute. Consider their reliance on the Bank given their limited funds, need to minimize operational costs and other overheads as well as the need to access information, research and analysis on a variety of development related issues. Balancing these various aspects of their activity given limited physical and financial capacity is certainly not an easy task. The rising need for a new resource: development knowledge, and the limited number of institutions with the capacity to respond to this need have given rise to a new supply-demand in-equilibrium, providing the Bank the unique opportunity to start a new business in this context. This is the business of development knowledge and the Bank's stature, staffing and financial

capacity, international reach, and more importantly its legacy as a development research institution make it the perfect and sole service provider in this business. While this business may not be entirely driven by financial transactions, factors such as political and ideological affiliations are important attributes in deciding who gets to access this resource. Further, beyond such affiliations, exists a larger concern about shifting priorities and paradigms that may be occurring at the end of the civil society actors after obtaining access to this knowledge. To what extent the nature of the products and services developed based on this resource acquired from the Bank can help resolve problems is of vital concern. But even beyond that, how can it be ensured that the development knowledge acquired from the Bank is free of the institution's own one-sided political and ideological beliefs. One can only imagine the consequence of such beliefs creeping into strategizing processes, policy planning and decision-making within CSOs that is mainly interested on improving the quality of life for the poor in developing countries.

Various stakeholders in the development community – students, scholars, bilateral and multilateral aid agencies, governments of developing countries and such – use the development knowledge promoted by the Bank to make decisions of significant consequence to the poor. Therefore, the Bank's activities, especially those related to conducting research and producing development knowledge stand to tremendously impact the work of development community. At a time of declining credibility and legitimacy crisis (with its lending and technocracy roles), it is interesting to observe that the Bank creates a new role of development knowledge brokering for itself. What is the goal behind further expanding the institution's activities? Is there not a contradiction between the old (and very political lending and technocratic) role and the new knowledge-brokering (perceived to be apparently apolitical and neutral) role? Is this contradiction an intentional creation and if yes, why and how do the projection of such multiple images help the Bank? Is it possible that an overarching, deeper and not-so-apparent agenda exists behind this new role of development knowledge brokering adopted by the Bank? What is this ulterior motive and what does it mean for the politics of development?

The above questions rest at the foundation of this thesis and form the core rationale for its inception. It has been more than a decade since the World Bank first conceived its knowledge ventures. In this sense, some may consider this thesis, especially its historical analytical approach slightly outdated. However, to grasp the seriousness of the concerns that arise out of this



relatively new role of the Bank, it is important to pay attention to the historical circumstances and events that led the Bank to create the knowledge ventures. This is why I have tried to take a critical international political economy approach to studying the historical origins of the World Bank's knowledge ventures.

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