The World Bank as a Knowledge Bank: beyond Deaton.

Elisa Van Waeyenberge (ew23@soas.ac.uk)
Paper presented at the School of Oriental and African Studies / London International Development Centre in the context of the seminar series: 'Scholarship, Advocacy and Policy (after Deaton): The World Bank through the Looking Glass'
24th of April 2004

DRAFT

1. Introduction

This paper follows on from Ben Fine (2008) who opened the current seminar series which seeks to assess the direction of Bank research and its effect on policy and advocacy, in the light of the evaluation exercise led by Angus Deaton (2006). Ben Fine started with a set of general critical comments regarding the Deaton evaluation and went on to explore the specific implications of both the Deaton Report and the World Bank in the analytical and policy contexts of health, social capital and development.

The fundamental failures of Deaton[1] identified in Fine (2008), pertaining, in essence, to its dramatic neglect of the political economy of Bank knowledge, form the backdrop against which the current paper seeks to provide an elaborate critical mapping of the Bank as a Knowledge Bank. This is deemed an important exercise. The Bank is generally recognised as an important knowledge actor in development. The breadth or scope of this knowledge exercise, however, often remains somehow misunderstood and, in general, underestimated. Indeed, the Deaton Report itself is concerned with only a small share of the Bank's 'knowledge' activities.

The Bank's aid effectiveness research provides an opportune point of departure for a critical mapping of the Knowledge Bank. First, in rather paradoxical manner, the shortcomings of Deaton are probably most flagrant in a context where its critique is most scathing, namely the Bank's aid effectiveness research. Second, the Bank's projection of a particular understanding of the dynamics of aid and conditionality has been conveniently linked to the explicit promotion of the notion and practice of the Bank as Knowledge Bank.

This paper proceeds as follows. Section 2 sums up the essential failures of Deaton, much in line with Fine (2008). Section 3 takes a closer look at Deaton's assessment of the Bank's aid effectiveness research. The imperative transpires to situate the latter in the context of the broader aid literature (scholarship) and the Bank's rhetoric and policy, and changes therein. Deaton, nevertheless, barely touches upon these. Section 4 documents the ascent of the idea of a Knowledge Bank, and section 5 proceeds to an extensive mapping of its knowledge role. This puts the remit of the Deaton exercise in perspective and highlights the much broader knowledge endeavour the Bank engages in, with significant implications for advocacy and policy. Section 6 concludes seeking to tease out implications for the specific institutional context within which this seminar series is taking place.

---

[1] Reference to 'Deaton' implies reference to the evaluation exercise chaired by Angus Deaton, rather than to Angus Deaton himself.

2. The limits of Deaton

Fine (2008) commends Deaton's candour in highlighting an oft-recurring problem with Bank research pertaining to both its quality as well as its heavy use for 'advocacy' purposes. Apart from observing that '(m)uch of the research … was seen as undistinguished and not well-addressed to any particular audience, either academics or of policymakers' (p. 51), Deaton refers to 'serious failures of the checks and balances that should separate advocacy and research' (p. 53), and the various evaluators participating in the Deaton exercise repeatedly stress that 'research tended to jump to policy conclusions … not well-supported by the evidence' (p. 40). Again, '(a) small fraction of prominent Bank research is technically flawed and in some cases strong policy positions have been supported by such (non) evidence' (p. 38). This combines with Deaton's denunciation of the scant use of country-specific knowledge available within the institution, as well as of the limited collaboration with researchers from the developing world (p. 39):

> Such lack of involvement may reduce the Bank's contribution to the development of research capacity in borrowing countries and inhibit the influence of Bank research where it is most needed.

For Deaton, these shortcomings are, in essence, the result of an administrative budget squeeze and stem from a set of imbalances characterising the Bank's research exercise. The latter crop up, among other, in the domain of rigour versus relevance; responsiveness and independence; policy relevance and academic distinction; and advocacy of 'good' policies versus the production of new policy ideas. Following Deaton, such deficiencies can be addressed by securing an endowment for Bank research (guaranteeing both financial continuity and, allegedly, greater independence of research), and by altering the incentives and structures steering it. This involves: improving cost accounting; changing the structure for allocating and planning research; devising better quality control mechanisms; and strengthening interactions with academics.

Hence, while Deaton bravely denounces an advocacy bias to Bank research, this is understood to be mainly a matter of incentives and structures, rather than being attached to the particular political-economic realities within which the research, rhetoric and operations of the Bank are situated (and which bear upon the way in which the relations between these are mediated). Endemic dynamics emerging from, among other, the Bank's shareholder realities, the specific nature of its relationship to the financial markets, or the general state of its 'highly scholarly discipline' (Kapur 1997), economics, are beyond Deaton's horizon. This failure to recognise the broader, political-economic dimensions to the Bank's knowledge role, amply commented upon in existing critical commentary on the Bank – itself fully ignored in Deaton (but see, among other, Wade 1996; Mehta 1999; Standing 2000; Fine 2001; Wade 2002; Kapur 2002; Broad 2006), is striking (Fine 2008).[2]

[2] The only time we encounter an indication of possible implications of the Bank's shareholder realities for its research, incidentally also the only reference to an existing appraisal of the Bank as 'intellectual actor', is by way of an assessment of Bank research during the 1980s on debt rescheduling by a former Chief Economist and a current employee of DEC (Stern and Ferreira 1997). Still, Deaton threads cautiously (p. 20, my emphasis):

> *They* suggest that the reasons why Bank research lagged behind research outside which had already turned against forcing developing countries to pay everything they owed, is that the Bank's major shareholders were worried about hurting the banks in their own countries.

But if research performs an advocacy role – as repeatedly highlighted in Deaton – what informs the nature and direction of the latter? Deaton refers to 'Bank positions' (p. 6), but what are these? Where do they come from? How do they evolve? What imperatives do they obey? How is the relationship between these 'positions' and research brokered? How do they translate in Bank practice? And how does Bank scholarship (or is it 'advocacy'?) mediate between these positions and Bank practices? Deaton provides no answers. Yet, in her highly entertaining account of various mechanisms of 'paradigm maintenance' operating in DEC, the Bank's research department, Broad (2006, p. 403) indicates, for instance, how the requirement that a researcher in DEC 'sells' 30 percent of her or his time to operations, has implications for the kind of research that will be undertaken, with a researcher whose ideas resonate with the neo-liberal bias lodged within operations more likely to succeed in securing contracts from operations, and hence to climb the DEC hierarchy faster.

Further, Deaton assesses Bank research through a technical (and often econometric) prism, and the assessment remains, in general, separate from any projected understanding regarding development (see also Fine 2008). With Deaton, 'scholarship' becomes akin to 'advocacy' when the former fails to pass a certain technical threshold, without an investigation of the specific ideas regarding development embedded in this 'scholarship' (now 'advocacy'). As much as, for Deaton, Bank research is a matter of incentives, it is also judged on the basis of its technical merits, rather than that such an assessment involves critical engagement with content. It should be noted, however, that the question remains of how Deaton would have judged embedded ideas regarding development if it would have revealed them? As Fine (2008) observes, Deaton itself gives no indication of how development may be understood, let alone of how this would compare to the various (and evolving) frameworks that have steered the Bank's understanding of development, themselves barely deserving of mention in the Report.

In sum, Deaton remains oblivious to institutional dynamics characterising Bank research that are related to the broader setting within which both the Bank and its research operate. Further, the evaluation displays a strong bias in favour of technique over substance. These failings stand out perhaps most starkly in a context where Deaton's critique is remarkably forceful.

3. Deaton and Assessing Aid

The Deaton Report is particularly scathing about the Bank's aid effectiveness research that spanned the Report's review period (1998 – 2005). This research centres around: a paper by Burnside and Dollar (2000), 'Aid, policies and growth', first circulated as a World Bank Working Paper (Burnside and Dollar 1997); a Policy Research Report *Assessing Aid* (WB 1998a), built on Burnside and Dollar's central premise of conditional aid effectiveness; and a set of later contributions by Collier and Dollar (1999, 2001, 2002) that extend the Burnside and Dollar premise into a prescriptive model for 'poverty-efficient' aid allocations.[3] *A Case for Aid* (WB 2002), which summed up the Bank's position at the United Nations Monterrey

[3] The three papers (Collier and Dollar 1999, 2001 and 2002) convey the same argument, but the latter two versions sought to remedy technical mistakes that had cropped up in the WB Policy Research Paper (Collier and Dollar 1999). For a good account, see Beynon (2001).

Conference, further builds on these core references, and Collier and Dollar (2004) restate the basic arguments in a special issue of the Economic Journal. Finally, another flagship, *Aid and Reform in Africa* (WB 2001), brings together a set of case studies on aid, conditionality and reform which are framed by the general Burnside and Dollar message.

It is argued across these various contributions that aid only affects the growth rate of a recipient country positively, if a certain set of policies/institutions are characteristic of the country. Further, aid does not affect the policy/institutional environment of a country. Hence, aid should be (re-)allocated towards those countries characterised by a 'good' policy and institutional environment. The latter broadly reflects the Bank's Country Policy and Institutional Assessment (CPIA), on which more below, or, more narrowly, focuses on the 'core' macroeconomic policy stance of budget surplus, low inflation and trade openness. 'Poverty-efficient' aid allocations are to be rationed on the basis of a particular assessment of a country's policy and institutional environment. Under such a performance-based allocation of aid or 'selectivity', the conditionality accompanying (or now preceding) aid no longer reflects the flow of reforms, but the state of the policy and institutional environment. Conditions relate to past rather than future actions.

This idea of making loans/grants conditional on what has already been achieved in terms of policy/institutional reform combines with an emphasis on a more advisory role for donors. A country not yet characterised by an 'appropriate' environment is to be a recipient of 'aid skills', or advice, rather than of 'aid money'. Assessing Aid elucidates (WB 1998a, p. 4):

> Aid can nurture reform even in the most distorted environments – but it requires patience and a focus on ideas, not money.

Aid's two dimensions ('financial' versus 'ideational') become distinct and separate. Selectivity means channelling financial aid to countries with 'appropriate' policy environments, *and* using non-lending services more strategically to support the emergence of a set of policies/institutions. Collier (2000, p. 307) further explains:

> By abandoning the notion of aid as a 'reward' for policy improvement, donors move to a model of partnership. However with those governments which adopt really poor policies, partnerships are not beneficial. Engagement with those governments and with their societies in the battle of ideas is the means by which donors can best hope to influence policy.

Throughout these arguments on aid effectiveness, the 'pedagogical' role of the donor community and of the World Bank, in particular, receives a special emphasis, an issue I return to below.

These ideas were put forward by a few well-known development economists, at the time employed in the Bank's research department (DECRG). As the Director of DECRG (Development Economics Research Group) between April 1998 and April 2003, Paul Collier played a steering role in the research endeavour.[4] The position gave him the occasion to develop further a set of ideas regarding aid and conditionality he had started to explore previously (see Collier et al. 1997; Collier

[4] He is currently the Director of the Centre for the Study of African Economies, from which he was seconded.

1997a, 1997b). The other major player in the aid effectiveness research was David Dollar, a much-celebrated Bank researcher who has persistently demonstrated his faculty at providing 'scholarly' support for the neo-liberal paradigm, most famously in Dollar and Kraay (2002) – also subjected to strong critique in Deaton, the development of the Dollar index of trade openness, and the aid effectiveness research.[5] At the time of the aid effectiveness research, David Dollar was a Research Manager in DECRG. He subsequently became Director of Development Policy within DEC and was finally promoted to Country Director for China and Mongolia, a much coveted job at the Bank.

Interestingly, William Easterly was forced out of the Bank during Dollar and Collier's heyday in DEC. As a senior economist in DEC, Easterly had called for a slightly more prudent reading of the Dollar-Collier results (Easterly 2003; Easterly et al. 2003), but had not otherwise fundamentally challenged the more general Bank outlook regarding aid and growth (Dollar and Easterly 1999; Easterly 2002).[6] The factors leading up to Easterly's resignation are seemingly unrelated, except for the important role the Bank's External Affairs department played in his departure and the well-documented convivial relationship that David Dollar entertained with External Affairs (see Broad 2006).[7] Easterly's resignation also stands in stark contrast with Robert Wade's (2004b, p. 585) account of David Dollar becoming a standard for judging the stature of other economists in DEC.

Given the above, it appears rather suspect that Deaton hails the book which sat at the heart of Easterly's resignation incident, *The Elusive Quest for Growth* (Easterly 2001b) as 'perhaps the most cited and influential of all of the Bank's research output' (p. 50), without a hint of the controversy the book had ignited within the Bank, and which ended in Easterly's resignation. Are we seriously to believe that none of the participants in the Deaton exercise were aware of the shenanigans leading to Easterly's departure? Or is this yet another instance of Deaton coming up against its own limits of refusing to acknowledge internal (and external) dynamics of the Bank beyond those related to checks and balances on research 'quality'? Similar comments apply to Deaton's casual reference to a former World Bank Chief Economist as a Nobel Laureate, without any mention of how Joe Stiglitz, the Nobel Laureate in question, was forced to leave the Bank as a result of US pressure.[8] The period subjected to the Deaton review saw no less than three high-profile resignations from

---

[5] For a critique of Dollar and Kraay (2002) see Weisbrot et al. (2000) and Lubker et al. (2002). For a critique of the Dollar trade index, see Rodriguez and Rodrik (2000) and Subasat (2003).

[6] See, in particular, the following extract from Easterly (2002, p. 118), which is very much in line with the selectivity proposition the Dollar-Collier research sought to prop up:

> We should tie aid to past country performance, not promises, giving the country's government an incentive to pursue growth-creating policies. The better a country's policies are for creating growth, the more aid per capita it gets. We should rank all poor countries according to their policy performance and then give more aid to a country the higher it is up the list. The exact formula is not important; all that is important is that aid increases with policy performance, so that governments have an incentive to pursue good policies … We know something about what policies are associated with growth. For now, let's say that a country that has a high black market exchange rate relative to its official exchange rate, a high inflation rate, a controlled interest rate well below the inflation rate, a high budget deficit, and widespread corruption should not be getting aid.

[7] For a good account of Easterly's departure, see the WBG Staff Association Newsletter (November/December 2001).

[8] For a good account, see Wade (2001).

the Bank's research department, adding Ravi Kanbur – lead author of the 2000/2001 World Development Report *Attacking Poverty*, to the other two. But as these resignations dramatically force to the fore those issues Deaton is careful to avoid, they remain conspicuously absent from the Report.

Returning to Deaton's assessment of the Bank's aid effectiveness research, the Report starts by recognising the enormous influence the Bank's research on aid has had on the debate (p. 52). This has indeed been the case, both in academic and policy terms. In the context of the latter, Doornbos (2000, p. 103) observes:

> the recent 'Dollar-report' … in putting forward the research finding that 'good' performers are 'best' able to absorb and utilise aid funds effectively, has come to provide a policy rationale for this new approach. Through reference to 'scientific' evidence presented in this report, 'selectivity' can be advocated and rationalised as being the most cost-effective and results-oriented donor strategy. Hence the keen interest with which this report has been taken up for the discussion in various donor circuits.

Dollar (2001, p. 1044) himself attributes alleged improvements in the growth performance of aid to his (and his collaborators') research efforts as follows:[9]

> It is always difficult to measure the impact of research. The fact that aid allocation has improved dramatically during the 1990s can be attributed to a number of factors, such as the end of the Cold War and the reform of aid agencies. But surely research results indicating how to make aid more effective played some role as well … The first version of 'Aid, policies and growth' was circulated in 1996; this paper showed that aid in fact did affect growth, but that its impact depended on the quality of policies. Many of the changes in the second half of the 1990s have been consistent with the argumentation developed in aid effectiveness research. Suppose we attribute to research one percent of the credit for improved aid allocation … The efficiency of aid improved by 200 percent over the decade, so we are basically ascribing to research a 2 percent improvement in the efficiency of aid. Was the money spent on research a good investment? Starting from the 1990 level of efficiency, a one-time 2 percent improvement in the efficiency of aid would lift an additional 120,000 people out of poverty in the first year. The WB spent about $1 million on all of its aid effectiveness research, including the publication of Assessing Aid and worldwide dissemination. The efficiency of ODA [Official Development Assistance] in 1990 was about 100 people lifted out of poverty per million dollars. Thus, the return on research in the first year was 120,000 percent of the return on the typical aid dollar of 1990. And of course one of the special features of knowledge creation is that it can be used year after year with no additional knowledge generation costs. So, the productivity of research would actually be many times the rough estimate produced above.

Academically, a large literature was spawned concerned with the verification of the core Burnside-Dollar result of conditional aid effectiveness.[10] This literature focuses mainly on issues of model specification, econometric technique and data selection. It exposes how the Bank-promoted paradigm is based on a biased research effort, poor theoretical and econometric practice, and is not representative of the broader findings

[9] Apologies for the lengthy quote but I could not resist inserting it!
[10] For a recent overview, see McGillivary et al. (2006)

of the aid impact literature. As such, we are guarded against the simplistic understanding of the aid-reform-growth-poverty reduction processes underlying the Bank propositions.

The Bank aid research is, further, characterised by excessive insularity and a failure to engage with criticism, even with such criticism that remains within the remit of frameworks readily understandable by Bank researchers. As one commentator observes (Morrissey 2000, p. 373):

> Assessing Aid does not adequately take stock of what is known and what is not known about the macroeconomic impacts of aid. Important elements of what was and is known … are not mentioned. Sometimes this results in a tendency to reinvent the wheel … but other times the tendency is to misrepresent the evidence, as in whether aid effectiveness is conditional on good policy. It is right that the Bank should contribute to the debate. If it is to do so, it is only reasonable to expect that its researchers keep abreast of what is being done outside Washington, and perhaps most saliently, outside of the US.

Finally, the aid effectiveness research is a good illustration of the way in which country-specific analysis and contributions from the developing world, when integrated, can so easily be put in the service of a set of predetermined ideas. The Bank's aid effectiveness research was complemented by an edited volume of case studies, *Aid and Reform in Africa* (WB 2001), which brings together accounts of the experience of aid and policy reform in ten African countries. These were to assess three hypotheses: first, countries choose to reform or regress independent of aid; second, non-financial aid (technical assistance, advisory services and analytical work) has a better impact than financial aid on the generation of policy reform in 'bad' policy environments; third, financial aid works when policy reforms and institution building are underway.

The various case studies compiled in *Aid and Reform in Africa* frequently draw a picture that portrays a reality which is, at a minimum, more complex than implied in the simplistic and dichotomous phrasing of the research hypotheses. Nevertheless, the Bank's editorial team, in their overview, frame their findings to the neglect of the specificities revealed in them (see also Tarp 2001). Indeed, whereas the case studies brim with evidence of the significance of financial aid for the direction of policy reform as well as economic performance, Dollar et al. (2001, p. 28) sum up as follows:

> large-scale finance has, if anything, a negative effect, reducing the need to reform; and conditionality has typically failed in the absence of a serious movement for change. Technical assistance and policy dialogue, on the other hand, have helped governments and their civil societies learn about policy from neighbours and from their own experimentation.

This gross misrepresentation by the editors of the lessons projected by the various cases reveals the ease with which case study material, when undertaken, can be put in the service of a general policy position, and indicates how participation of non-Bank and regionally based researchers can be reduced to little more than a token attempt to draw on perceived local expertise, with the revealed ultimate purpose of further bestowing legitimacy on a predetermined policy agenda.[11]

Deaton takes issue with similar, if more select, problems. Apart from a comment regarding two of the 'policy measures' in Burnside and Dollar's policy index being measures of outcomes rather than policies, the focus is on econometric matters pertaining to the robustness of the results and the Instrumental Variable technique deployed in an attempt to deal with the well-known problem of endogeneity in aid regressions (aid is both a determinant of economic performance and determined by it) (pp. 54-5). These shortcomings are exacerbated, following Deaton, by the serious abuse of the capacity of the 'scholarship' to support specific policies. The World Bank is admonished for the heavy 'advocacy' use to which its 'scholarship' has been put and for its failure to correct itself at any point in this regard (p. 53):[12]

> Much of this line of research appears to have such deep flaws that, at present, the results cannot be regarded as remotely reliable, much as one might want to believe the results. There is a deeper problem here than simply a wrong assessment of provocative new research results. The problem is that in major Bank policy speeches and publications, it proselytized the new work without appropriate caveats on its reliability … it is … clear that the Bank seriously over-reached in prematurely putting its globalization, aid and poverty publications on a pedestal. Nor has it corrected itself to this day.

Indeed, in the context of the latter, the Bank has developed this particular technique according to which it can make reference to various critiques levelled at its propositions, while, at the same time, safeguarding the essential policy messages embedded in these. The 2003 *Annual Review of Development Effectiveness* (WB 2004) is illustrative. In the first chapter, it sets out three premises upon which the Bank's strategy for poverty reduction rests. These include the by now familiar mantra that, first, aid is more effective in promoting poverty reduction and growth in 'good' policy/institutional environments; secondly, that aid is neither necessary nor sufficient for 'good' policy and cannot substitute for the crucial factor, 'ownership', although it can foster and reinforce ownership; and, thirdly, that what works well in one country may not work in another and donors have a crucial role in the dissemination of knowledge about various experiences with the reform process. The review then points to the exposed weaknesses, mainly of the Dollar-Burnside findings, and proceeds, unencumbered by the various critiques, in the subsequent chapters, with the original premise of the need to allocate aid flows selectively on the basis of the CPIA and to foster ownership in line with the prescribed policies and

---

[11] Note that such an understanding of the purpose of collaborative work with partners in the South echoes in Deaton, where another flagship on Africa (*Can Africa Claim the 21st Century?*) is hailed (p. 71, my emphases):

> *not so much for any new research findings* as, for the fact that it represented a collaboration between researchers from the Bank and from the best economic research institutes in Africa. That the report's message of growth, trade and poverty reduction could be *jointly* endorsed by this wide range of researchers is in sharp contrast to previous disagreements and marks … 'the beginning of a new era'.

[12] See also (p. 56): 'We think that the Bank was unwise to place so much weight on one paper whose evidence is so unconvincing … the Bank reports … used it selectively to support an advocacy position'. And again (p. 55): 'we *are* arguing that its [own: the Burnside and Dollar paper] results provide only the weakest of evidence for their central contention, that aid is effective when policies are sound'.

institutions. With regard to Deaton and *Assessing Aid*, the Bank's Chief Economist's reply – amounting to less than 100 words – simply argues that Deaton's critique focused exclusively on cross-country technique, apparently a minor attribute of the Bank's aid research, and that the latter 'stimulated a useful debate within academia and development agencies that goes on to this day' (Bourguignon 2006, p. 7) – a rather flimsy outcome for such a costly exercise! Bourguignon interestingly adds that the findings reported in *Assessing Aid* did not provide 'justification for Bank policy' – as implied by Deaton – 'but in fact were critical of Bank policy at the time', an observation to which we return below.

Yet, for as much as Deaton casts a critical eye on the Bank's aid research, its comments are interlaced with two important qualifications. First, the Bank's research on aid effectiveness is said to be no weaker than most of the literature on aid effectiveness (pp. 55, 56). Second, Deaton emphatically emphasises that the Bank results have great intuitive appeal (p. 53):

> We wish to emphasize that we, too, believe that countries with good policies and institutions are far more likely to benefit from aid than, say, countries with deep corruption and poor governance where aid can delay reform rather than enhancing it. There is a strong theoretical presumption in favour of this commonsense dictum.

These observations are revealing and go the heart of Deaton's inadequacies. Let's deal with each in turn. One could not agree more with Deaton on the first count. Indeed, most of the aid effectiveness research is bad, although the Burnside and Dollar contributions rank with the worst of it. But <u>why</u> is this so? Could it be in any manner related to the reality that more than one-third of all aid effectiveness research is financed by donors, with the Bank not playing a marginal role in that respect. Samoff (1992) refers to the 'financial-intellectual complex', denouncing the implications of the conjunction of development assistance and research for the scope and nature of the research effort, both directly through funding and indirectly through impact on the terms of the debate. Research undertaken under such an aegis can be narrow and easily takes the 'existing patters of economic, political and social organisation as givens' (p. 60). The process of knowledge creation is often obscured and the power relations embedded in the research, and the programmes it supports, mystified. Particular understandings are privileged and attention is diverted away from alternative perspectives.[13]

In the context of aid, an area of research particularly affected by this 'complex', this has implied a restricted conceptualisation of the analytical realm, being predicated on a common acceptance of the donor-projected purposes of aid, to the neglect of the broader international political, economic and financial context within which aid outcomes take form. An inadequate understanding of what aid is, has, further, been exacerbated by deficient accounts of economic mechanisms in line with mainstream understandings of growth and resource allocation, and by futile attempts to overcome these by recourse to econometric 'proof'. The aid impact literature has failed, in general, to provide adequate insights into the dynamics of aid outcomes. It has been

[13] More recently, see the various observations in Mehta (2006) for a denunciation of the pervasiveness of the 'aid industry' for determining the directions within research on development; and see also Mosse (2006) for an account of the hazards confronted by an anthropologist who drew on his experience in the pay of a bilateral donor agency (here the British aid agency) to author a book critical of international development policies and practices.

characterised by a persistent incapacity to take the specific and defining features of aid and development in particular country settings into account. Little consideration is given to the reality that the causes and outcomes of aid are complex, uncertain and vary across different donor-recipient situations, rendering a general theory essentially inappropriate.

As the debate evolves, drawing on manifold 'innovations' in mainstream economic theory, alleged increased levels of sophistication in the analysis fail to improve the understanding of the mechanisms of aid impact or allow for clear-cut conclusions. Indeed, this seems a futile exercise in the context of inadequate analytical categories and behavioural assumptions, with any particular conclusion regarding aid effectiveness easily countered by mere manipulation of models and/or data. The debate becomes reduced to quibbles regarding the significance of a coefficient in an aid-growth regressions and continuously circumvents serious reflection on first principles of theorising and model building.

In this context, the extent to which the various dimensions and institutions of aid manage to restructure the recipient or debtor economies has been easily downplayed, and the role of aid in the broader political-economic-financial setting misunderstood. These shortcomings are dramatic with Burnside and Dollar, who fully disregard the structural relations within which aid outcomes come about and the broader non-aid features affecting these. The key for aid effectiveness becomes entirely located at the level of the debtor economy, to the complete disregard of the structural features of the environment in which aid and its various policies take form and effect.

So, the 'financial-intellectual' complex has dramatic consequences for the aid impact literature, and this is further aggravated by the analytical habit of mainstream economics to consider what are perceived to be the politics of aid – touching upon who gives aid, why and to whom – as distinct from the economics of aid.

But, is this all much different for Deaton itself? The evaluation seems heavily encumbered both by its institutional context as well as by its disciplinary make-up, with mainstream economists particularly inapt at identifying (and pursuing) relevant research questions. For instance, with Deaton, there are no politics to the scholarship, advocacy, or practices of the Bank, and if there are, these remain firmly out of bounds of economists' investigations.

Second, Deaton emphasises the 'intuitive appeal' of the aid practice attached to the Burnside and Dollar findings (see quote above). But what are we to make of that? Does this mean that if only the technique used to support the policy conclusions embedded in Burnside and Dollar would have been more solid, the Bank could have legitimately drawn upon the research to support the core <u>practice</u> that aid flows should be allocated selectively to 'good' performers, while poor performers would benefit from 'ideas' or 'knowledge'? Is this all, still, simply a matter of (p. 53): 'a serious failure in the checks and balances within the system … has led the Bank to repeatedly trumpet these early empirical results without recognizing their fragile and tentative nature', i.e. of structures and incentives related to research matters <u>only</u>? Or do the operational imperatives defended on the basis of a particular research endeavour now also matter? By emphasising the 'intuitive appeal' of the Bank's aid effectiveness premise, Deaton expresses sympathy for a particular aid <u>practice</u>, at the same time, remaining highly critical of the way in which this practice had come to be supported through specific <u>scholarship</u>, with the latter threatening the credibility and utility of Bank research in general (p. 57). Whereas, throughout, Deaton is at pains to avoid the scholarship-advocacy-practice conundrum, this ‘intuitive’ slip propels Deaton straight into it.

But then, how does Deaton understand or assess this aid practice, and how is it situated vis-à-vis the Bank’s former aid practices – not in the least the infamous structural adjustment programmes – and the scholarship and rhetoric attached to the these? Spelling it out more clearly, what has happened to structural adjustment and the Washington Consensus? How do ‘selectivity’ or performance-based aid, the post-Washington Consensus and *Assessing Aid* relate to these and to eachother? Given that Deaton specifies neither the policy context within which Burnside and Dollar emerged, nor refers to the shift, at least at the level of discourse, of Washington to post-Washington Consensus, is it a surprise that Bourguignon (2006), quoted above, counters Deaton with the argument that *Assessing Aid* was indeed <u>critical</u> of Bank policy at the time, rather than supportive of it, as implied in Deaton? Bank practices, and the rhetoric attached to these, are ghosts in Deaton, intangible, but there, nevertheless, floating around the pages and causing trouble for the host.

The importance of *Assessing Aid* for the Bank – and hence its heavy use for ‘advocacy’ purposes – can only be understood by situating it vis-à-vis both operational and rhetorical realities of the Bank, and changes therein. The Bank has been very well-known for its association with structural adjustment, an aid practice that rapidly rose to the fore in the 1980s and under which aid became disbursed in return for the promise of policy reform. This policy reform embodied what was coined as the Washington Consensus, a set of policy recommendations which, in essence, aimed to eliminate all obstacles to a ‘perfect market’ as the presumed optimal path to efficiency and growth.

After more than fifteen years of (mainly negative) experience with adjustment lending and much debate inside and outside the Bank, a consensus emerged within the institution, evident in its 1994 Report on Africa (WB 1994), that adjustment had promoted ‘sound’ policies, but had not necessarily produced strong results in terms of growth and poverty reduction. As the Bank understood it, implementation problems had caused inadequate economic performance. Better ‘local ownership’ of its reform programme became a perceived precondition for the economic success of assistance packages. Following this, the ambition to exercise greater selectivity in the allocation of aid flows gained currency. An update report on adjustment lending in Sub-Saharan Africa asserted (WB 1997a):

> Increased selectivity is required, to stop financing delays in the adoption of needed reforms. The poor results from the past show that lack of selectivity resulted in financing too many cases of low growth and increased indebtedness. This was an unanticipated effect of excessive willingness to support weak programs and/or reluctant reformers.

Instead of imposing conditions to be achieved in response to the receipt of loans, loans were to become conditional on what had been achieved beforehand.

The critical feature of the selectivity approach (obviously) is the mechanism along which suitability of countries to receive aid flows is determined. The core of the Bank’s performance-based allocation system is the Country Policy and Institutional Assessment, or CPIA. This involves the attribution by Bank staff of a score on a scale from 1 to 6 for sixteen criteria in a particular policy matrix for each country eligible for Bank aid – through its soft window of the International Development Association (IDA). The average of these (the CPIA-score) feeds into a resource-allocation formula for Bank aid (IDA) resources that is sixteen times more sensitive to changes in policy/institutional variables than to changes in income per capita (as a proxy for poverty). The CPIA encompasses an economic core touching upon macroeconomic and structural policies respectively, augmented with concerns for 'governance' and social inclusion or equity.

According to Bank staff, the CPIA criteria include 'a wide range of what is generally accepted as important for development' (Gelb et al. 2004, p. 19). Closer scrutiny of the CPIA, however, reveals how it is built around the following precepts: low inflation; an implicit preference for a surplus budgetary position; minimal restrictions to trade and capital flows; 'flexible' goods, labour and land markets; market-determined interest rates; prohibition of directed credit; competition policies guaranteeing equal treatment of foreign and domestic investors ('national treatment'); 'virtually' complete capital account convertibility; protection of shareholder rights ('good corporate governance'); and no restrictions on public sector procurement.

As such, the CPIA duly perpetuates the traditional biases of the Washington Consensus: a monetarist preoccupation with inflation in the context of monetary and exchange rate policy; a fiscal stance dominated by concerns of crowding out; a bias against trade intervention; a bias against interventions in the commodity and labour markets; a bias in favour of private property rights structures; imposition of Anglo-American corporate governance principles; and a preoccupation with corruption as a source of (static) welfare loss. Social and institutional concerns are added onto this pre-determined set of imperatives,[14] leaving the latter undisturbed and, as a result, impervious to various inconsistencies (see Van Waeyenberge 2007).

The move towards increased selectivity in Bank practice and the promotion of the CPIA procedure beyond the Bank, anchored on an essentially unchanged ambition to promote a fundamental set of neo-liberal policies, happened against the backdrop of a revival of the Bank rhetoric on poverty reduction ('our dream is a world free of poverty') and a high-profile purported move <u>beyond</u> the Washington Consensus, emblematic in Joe Stiglitz's, then Chief Economist of the Bank, call for a post-Washington Consensus in 1998 and then-President James Wolfensohn's proposal for a Comprehensive Development Framework, both attempts to project a more rounded approach to development.

The formal '<u>scholarly</u>' support to the selectivity practice in the guise of the analytical and empirical arguments provided, in the late 1990s, by Burnside and colleagues, then, seeks to gloss over possible disjunctures emerging from a continued commitment to a particular Bank agenda in practice – selectivity on the basis of an assessment tool heavily infused by the Washington Consensus – and discursive shifts beyond the Washington Consensus. Further, the Collier and Dollar (1999, 2001, 2002) <u>explicitly</u> bring the selectivity notion in the service of the Bank's renewed emphasis on poverty reduction. Moreover, the emphasis on Bank 'ideas' or

[14] These include criteria pertaining to: gender; equity of public resource use; building human resources; social protection and labour; the environment; property-rights and governance; quality of budgetary and financial management; efficiency of revenue mobilisation; quality of public administration; and transparency, accountability and corruption in the public sector.

‘knowledge’ embedded in the selectivity notion – countries characterised by ‘poor’ policy/institutional environments should benefit from ‘aid skills’ or ‘advice’ rather than aid finance – conveniently gelled with the vigorous promotion by then-President James Wolfensohn of an explicit knowledge role for the Bank.

As such, the ‘scholarship’ of Burnside and colleagues contributed to the rationalisation of two distinct, but related, imperatives defining Bank practices in the late 1990s: the increasingly selective allocation of aid flows (on the basis of an agenda continuously inspired by the Washington Consensus) and the heavy emphasis on the importance of the Bank’s knowledge in interaction with its clients.

A last comment regarding the Bank, the CPIA and knowledge is in order. This goes beyond the role of Burnside and associates, but is situated within the realm of the Bank as Knowledge Bank. The CPIA was characterised by an apparent change in 2004. This touched upon the disappearance of specific guidelines regarding capital account liberalisation, national treatment for foreign investment and the prohibition of directed credit, which had traditionally been part of the CPIA assessment. Closer scrutiny of these changes, nevertheless, reveals how the biases which disappeared from the CPIA questionnaire remain lodged within the analytical reports that steer the CPIA exercise (Van Waeyenberge 2007). This draws attention to the importance of the Bank’s analytical effort in steering its interaction with clients, and in conditioning a country’s ‘policy space’. In this instance, however, the ‘knowledge’ role of the Bank is exercised through country- (and sector-) specific analytical efforts rather than through ‘research’, an endeavour that is both much larger than what is designated under ‘research’ and remains unexamined in Deaton. This brings me to the next part of the paper.

4. The World Bank and knowledge

In the first chapter of Deaton, the World Bank is introduced as one of, if not, the most important centre of research in development economics today. The Bank’s role as the ‘world’s premier development agency’, requires a knowledge base, which, for Deaton, must be generated by the Bank itself (see also Squire 2000). Deaton, further, draws attention to an on-going effort (p. 12):

> to reposition the World Bank as the ‘Knowledge Bank’ with lending operations playing a reduced role, and the Bank playing a more important role as a source of policy knowledge. In many ways this is responding to the changing demand for the Bank’s services. We already see that a number of middle income countries … or even countries approaching middle income … either do not really need the Bank as a lender or are moving in that direction … Moreover, even in the case of the poorest countries, where access to IDA loans … remains economically important, there is now an on-going discussion of whether the Bank ought to move to a model where it is less a lender and more a helping hand, dispensing grants and advice.

Indeed, the Bank has been faced with a set of perhaps contradictory tendencies. In the context of increased private flows, its traditional activities as a public finance institution, through both its hard window (the IBRD) – through which it lends at near-market rates – and its soft window (IDA) – through which it lends at concessional rates – have declined. IBRD disbursements have decreased by 30 percent in real terms since 1995, falling from more than 60 percent of the World

Bank Group's total business to around 45 percent. Further, IDA flows have remained about flat in real terms, with a recent tendency to account for a smaller share of total development aid (LTSE, p. 7). Yet, in line with the growth of private flows, disbursements of the World Bank Group's private sector affiliate, the International Finance Corporation, have, increased by 75 percent over the same period, and the activities of the Multilateral Investment Guarantee Agency by 45 percent.

As a result, private firms have rapidly grown as a proportion of the World Bank Group's clients. This highlights the use of the Group's financial resources, at subsidised rates, to support corporate investment, as against its supposed mission, as a public international financial institution, to promote development and combat poverty. Rich (2002, p. 53) comments:

> The World Bank's raison d'etre, in its own words, is environmentally sustainable poverty alleviation; it is really the only reason why taxpayers in the industrialized world, already faced with a shrinking domestic social safety net, should support such an institution … Meanwhile … the institution mutates into an entity for which public support becomes harder and harder to justify: a merchant bank, but one that is government subsidized and completely insulated from the financial, political, and moral consequences of its actions.

In response to these trends, Bank management has taken action. It has attempted to reassert the Bank's central role as a 'development institution seeking to fight poverty'. It has tried to reinvigorate client demand for its IBRD products (both financial and non-financial). It has emphasised the importance of synergies between its private and public sector arms, especially in the light of its strong focus on private sector development (see WB 2002). Further, the Bank has discerned a new and leading role for itself in the context of 'global public goods'. *And*, it has sought to combine these various initiatives with an emphasis on its unique position as a knowledge-gatherer and disseminator. The latest Long Term Strategic Exercise of the World Bank stresses (WB 2007b, p. 11 my emphasis):

> the World Bank Group will succeed *only* if it retains and improves its role as the development community's 'knowledge bank', especially with its purely financial value-added [role] likely to decline.

Hence, while hardly repairing the disconnection between the Bank's projected purpose, to be a public financial institution seeking to promote development and combat poverty, and the reality implied by the underlying shifts between the official and private arms of the Bank, the knowledge mission may serve to draw attention away from the Bank's financial role by emphasising its supposedly unique ability to share decades of learning about economic development with clients around the world.

The knowledge idea, of course, is not new. The Bank has aspired to a leadership role in the intellectual realm of development since at least the Robert McNamara era (1968-1981). The Bank's capacity to exercise a leadership role in this respect has, however, varied with the broader environment in which it operates. The 1980s saw a conjunction of events that promoted such a role for the Bank and, by the early 1990s, it had attained leadership in an aid regime structured around its identified priorities. With the arrival of James Wolfensohn as President in 1995, however, the knowledge idea was put squarely at the centre of his renewal programme for the Bank. The Bank was to become, in effect, a Knowledge Bank (Wolfensohn 1996a, p. 7). This reflected an awareness that the Bank's financial weight might, if anything, be on the decline. Gilbert and Vines (2000, p. 29), strong supporters of the knowledge turn, argued:

> The Bank's knowledge and cumulated experience of the development process provides the justification for a continuing role for the World Bank in an era where international capital markets appear overliquid rather than underliquid.

The Strategic Compact, the renewal exercise of the Bank initiated by Wolfensohn in 1996, asserted that one of its key objectives was to make the Bank's knowledge base a world standard, WB (1997d, p. 20):

> Collection, synthesis, and dissemination of knowledge is one of the major goals of the renewal programme … The knowledge management system will provide a corporate memory of information, lessons learned from experience, and best practices … It will interconnect with universities, foundations, and other world-class sources of knowledge.

Although, originally, Wolfensohn's emphasis on knowledge drew on the corporate practice of knowledge management and aimed at organisational aspects of the institution with the purpose of improving internal learning and efficiency (see King and McGrath 2004), the paradigm rapidly broadened to encompass a wide-ranging definition of a knowledge mission for the Bank. In this way, the Bank's strategy for knowledge sharing quickly expanded with the objective of making its know-how and experience accessible not only internally to Bank staff, but also externally to clients, 'partners' and 'stakeholders' around the world. In the process, the Bank sought to reach those who as yet did not have or had little access to the organisation's expertise. The *1997 Annual Report* (WB 1997b, p. 7) explained:

> The Bank is made up of an unmatched repository of experience and understanding about development issues, which too often has been underused … To meet client needs more effectively and better equip Bank staff, work began on developing a knowledge management system in fiscal 1997 to disseminate and apply lessons of experience among staff and clients. Through this system, complex information is distilled into usable formats for delivery to those who need it: policymakers, parliamentarians, NGOs and journalists, in ways that build vital understandings in member countries.

Thus, with the Bank now formally identified as a source of 'global knowledge', it would seek to strengthen the knowledge base for all development partners (IDA 2004e, p. 9). The Bank would concentrate on being the world's premier development institution, forging a common agenda on major issues and being in the 'forefront of development as a learning exercise' (Bergesen et al. 1999, p. 190).[15]

Accordingly, the Strategic Compact allocated the second biggest pocket in its resource envelope to the 'knowledge' dimension of Bank operations (WB 2001c, p. 41). It envisaged significant investments in Economic and Sector Work, the Bank's applied research programme; stabilised a longer-term decline in funding for research in the Bank's research department; and sought to ensure that knowledge was more

[15] See also Gavin and Rodrik (1995); Ryrie (1995); Krueger (1998); Gilbert et al. (1999); and Squire (2000).

effectively shared, particularly through the World Bank Institute's client learning programmes, as well as through sustained support for new 'knowledge-promoting' initiatives, including the Global Development Gateway, the Global Development Network, and later on, the Researchers Alliance for Development (see also below).

By the early 2000s, the Bank issued another set of documents which reaffirmed a strategic vision with knowledge at the centre (WB 2001c, 2001e, 2001d, 2003m). The Compact's knowledge vision was described as even more relevant than it was in 1997, and the Strategic Directions for FY02-04 pledged to increase further the delivery of knowledge-related services and capacity-building (WB 2001d, p. ii). This translated into the largest allocation for 'knowledge-based services' (mainly Economic and Sector Work and research) in the Bank management's proposition for additional administrative budgetary resources for FY02-04, and Bank expenditures on Analytical and Advisory Activities more than doubled between 1996 and 2005, from US$ 106.6 millions 1996 (WB 2002i, p. 48) to over US$ 230 millions (WB 2007, p. 96).[16] In addition, knowledge sharing became an indicator in staff Overall Performance Evaluations; sectoral policy reports became impregnated with the 'knowledge vision'; and the 1998/9 World Development Report (WB 1998c) was dedicated to the theme of knowledge and development. At the 13th replenishment of the IDA, the IDA Deputies re-asserted how the IDA's comparative advantage was now understood to lie (IDA 2002b, p. 5, my emphasis):[17]

> at the strategic level – in helping countries to improve their economic management and to implement economy-wide and sector-wide structural reforms, and in analysing policy options and sharing knowledge through Economic Sector Work. Critical components of this approach are IDA's … further efforts to make capacity building a core dimension of IDA's work. IDA can play a key role in providing financing for poverty reduction strategies *and* in supporting the research and analytical work needed to identify the actions required for poor men and women to benefit from the gains of overall economic growth.

Therefore, while the transfer of knowledge had always been a dimension of the Bank's role, the latest knowledge initiative sought to 'broaden the scope and raise the profile of this function' (WB 2003f, p. viii), creating a 'world-class knowledge management system' and 'improving and expanding the sharing of knowledge with its clients and partners (p. xi). This accommodated a set of political and financial pressures bearing upon the Bank. It also conveniently combined with the increased emphasis on performance-based allocations of aid, which put 'policy learning' at the centre of aid practices.

5. The Knowledge Bank in action

With the Bank explicitly charting a knowledge role for itself, it becomes important to acquire a general sense of the breadth of these activities. This section seeks to map the Knowledge Bank in action. Such an endeavour serves to highlight that those

---

[16] These figures do not include Trust Funds. In FY05, total expenditure on Analytical and Advisory Activities, including Trust Funds, exceeded US$ 350 millions (WB 2007). Analytical and Advisory Activities consist of: Donor and Aid Coordination; Economic and Sector Work; Impact Evaluation; External Knowledge Management; Internal Knowledge Management; Policy Framework Paper; Research; Non-Lending Technical Assistance; and the World Development Report.

[17] This was reiterated in the document accompanying the IDA-14 replenishment, see IDA (2005, pp. 19-20).

knowledge activities subjected to scrutiny through the Deaton evaluation ('research') constitute, in effect, only a small part of the Bank's knowledge exercise. This raises the issue of the extent to which a focus on Deaton – and hence exclusively on Bank 'research' – may limit attempts to appraise the effects of the Bank's knowledge exercise on policy and advocacy (and scholarship).

Mapping the Knowledge Bank

The World Bank engages in a massive knowledge exercise. Only a small share of these activities is categorised as 'research', and thus constituted the remit of the Deaton evaluation (p. 24):

> For FY2005, research was 11 percent of the budget spent on analytic and advisory work, which is consistent with the historical experience … This report focuses primarily on research.

A much larger source of 'development knowledge' derives from what the Bank calls Economic and Sector Work. This is complemented by the World Bank's training programme through the World Bank Institute and by its support for a set of 'global knowledge initiatives'.

Research and Economic and Sector Work each fulfil different but complementary functions: research seeks to provide general policy directions with wide applicability across countries or sectors, while Economic and Sector Work operationalises these for a specific country or sector context. Economic and Sector Work refers to activities that involve analytical effort with the intent of influencing client countries' policies and programmes (WB 2003m). It has traditionally underpinned lending and investment operations, i.e. it happens upstream of lending, but is not linked to the preparation or supervision of specific loans or projects. It is carried out in operational departments of the Bank and, for low-income countries, increasingly in co-operation with DEC, the Bank's research department.

Originally justified as necessary to ensure that Bank resources are put to proper use, the purpose of Economic and Sector Work has broadened. Economic and Sector Work outputs have come to span a wide range of policy issues, much beyond what can strictly be considered fiduciary concerns. Economic and Sector Work is categorised in core reports, which are undertaken for all countries in which the Bank is active and which include a Poverty Assessment (PA), a Country Economic Memorandum (CEM) or a Development Policy Review (DPR), a Public Expenditure Review (PER), a Country Financial Accountability Assessment (CFAA), and a Country Procurement Assessment Review (CPAR); as well as a host of sector or issue reports – including Investment Climate Assessments (ICAs), Corporate Governance Assessments (ROSCs), Education Sector Reviews, Financial Sector Assessments (FSAs), Health sector Reviews, Energy-Environment Assessments, Risk and Vulnerability Assessments, Rural Development Assessments, and Institutional and Governance Reviews (IGRs) – which are undertaken depending on the perceived needs of a country. Appendix 1 provides a brief overview of the remit of the core reports. Appendix 2 provides a summary of all the non-lending services scheduled over a three-year period for a low-income Bank client – Ghana. These amount to a total of over 40 reports and it is not unusual to find a total of over 30 Economic and Sector Work outputs over a three-year period for a low-income country.

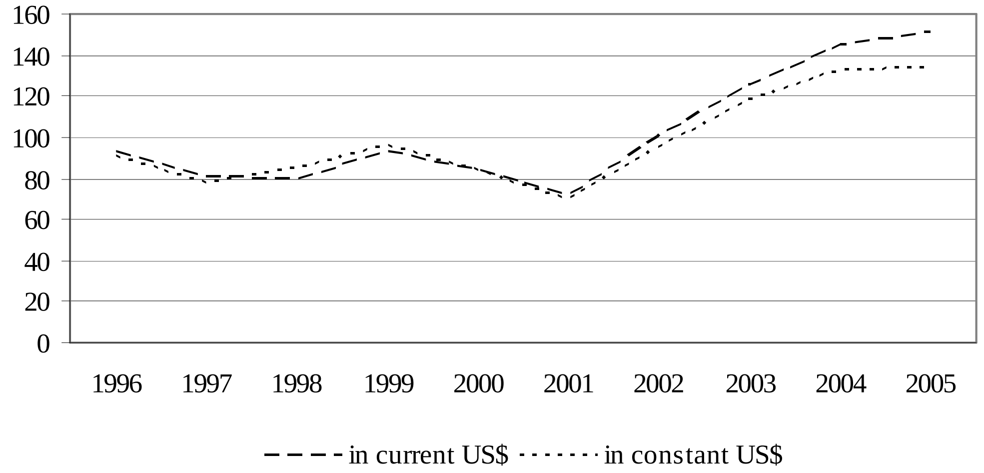
Economic and Sector Work also includes less formal outputs, such as policy notes, which are relatively smaller and more narrowly focused think-pieces that provide advice to borrowers, but which are not formally released as a report, and 'educational' services such as workshops, conferences, seminars and study tours. Since FY01, the Bank's annual review of the performance of its portfolio treats Economic and Sector Work on an equal footing with lending operations.

The Bank attributes five different possible objectives to its Economic and Sector Work. These include in order of imputed importance (IDA 2006a, pp. 19-20): to inform government policy; to inform lending; to inform and stimulate public debate; to build client analytic capacity; and to influence the development community. When the Bank measures the extent to which these objectives have been attained, a set of result indicators are assigned to each objective. These are instructive. For the first objective, it is assessed if the particular country to which the specific Economic and Sector Work pertains has adopted new legislation; if a government decree has been issued; or if a new government strategy has been adopted. For the second objective, the result indicators are straightforward: has a lending programme been agreed or is a new loan under preparation or implementation? For the third objective, results are reflected in whether the media in the relevant country widely reports Bank analysis, and whether major local stakeholders and academic publications give Bank views due attention. For the fourth objective, results are measured on the basis of whether the client makes a major analytic contribution to the Economic and Sector Work, and whether the client is learning to produce output independently. For the last objective, an assessment is made of whether additional resources were mobilised as a result of the Economic and Sector Work and whether there was a shift in donor policy or priorities (IDA 2006a). A strong and explicit advocacy role attributed to Economic and Sector Work clearly transpires.

Four trends can be discerned as having characterised recent Economic and Sector Work activity. First, as illustrated in figure 2.3, there has been a sharp increase in expenditure on Economic and Sector Work since 2002, and total expenditure on Economic and Sector Work, including that financed by trust funds, reached just over US$ 150 millions in 2005.[18] This follows a decline and stagnation of resources allocated to Economic and Sector Work (IDA 2002b, p. 23).

[18] This compares to expenditures on 'research' of just under US$ 30 millions in 2005.

Figure 2.3: Expenditures on Economic and Sector Work, 1996-2005, in US$ millions.



Sources: WB (2002i, p. 48) for 1996-2000; WB (2004k, p. 29) for 2001; WB (2007, p. 96) for 2002-2005; WDI online for the US CPI (2000 = 100).
Note: The US CPI was used to transform nominal into real values.

For the World Bank (2002e, p. 25), the increased attention for Economic and Sector Work reflects 'the growing appreciation of an appropriate policy regime to overall development effectiveness'. It sees the products and dialogue generated by an Economic and Sector Work programme as a 'strategic contribution to policy development'. For then Managing Director, Shengman Zhang (2002, p. 1), increases in Economic and Sector Work are directly linked to the Bank's knowledge turn, the PRSP and the attempts to effect greater ownership and participation:

> Economic and Sector Work … is coming to play an increasingly critical role in the Bank's tool-kit. The PRSP/CDF, the emergence of the Knowledge Bank, the growing sensitivity to ownership and participation, all point to the critical role of good policy and sound analysis.

In effect, for countries engaged in a PRSP process, the output and scope of Economic and Sector Work have increased significantly.[19] The World Bank emphasises (IDA 2004e, p. 24):

> With regard to the PRSPs, IDA is the largest provider of supporting Country Analytic Work (CAW) which is so necessary to the process. Drawing on its multi-sector country knowledge, IDA is strongly positioned to strengthen the underpinnings of PRSP. For example, CEM, DPR, ICAs and PAs are key to this task. Likewise, its contributions to improving Public Financial Management through PERs, CFAA and CPIA form the cornerstone of aligning PRSP with the budget and improving management of the public finances. A great deal of the Bank's analytical work … can be regarded as a 'public good' for both the client country and the development community.

[19] See Brock et al. (2002, p. 34) and OED (2004, p. 43) on how the Bank's PAs, in particular, have been a significant basis for poverty profiles in many PRSP countries.

Secondly, Economic and Sector Work has been characterised by attempts to bring about greater ‘client participation’. The Bank sees Economic and Sector Work as an important instrument for building institutional capacity, ‘ownership’ and consensus for reform efforts. The Bank, however, understands the purpose of participatory Economic and Sector Work: as an important means of transmitting information and building consensus; as the key to the effective internalisation of the policy advice embodied in its analytical work; and as a way to create a constituency for policy ‘innovation’ – rather than as a means through which it could incorporate a locally anchored or informed understanding of a particular policy context. Indeed, an operational constraint on the way in which participation could possibly affect the content of Economic and Sector Work looms, reflecting a clear sense that Economic and Sector Work is owned by the Bank rather than by the specific country ‘consulted’ (see also Wilks and Lefrançois 2002, p. 16).[20]

Thirdly, Economic and Sector Work has become much more broadly disseminated through the Bank’s website, through government offices, through workshops and conferences, and the Bank’s External Affairs department has become increasingly involved in this effort (IDA 2006a). Samoff and Bidemi (2003, p. 40) observe that:

> Formerly, many of the World Bank’s documents remained confidential, available only to its staff and a small circle of others. More recently, more of its publications are broadly circulated, many now instantly accessible on its massive website … Even resource starved African university libraries and bare shelf bookshops may have an ample supply of World Bank publications.

The authors point to the dual edge of such a proliferation. On the one hand, it is indeed desirable that Bank analysis is widely available, as it allows the tracing of its thinking. On the other, however, the profusion of documents and their authoritative character makes the Bank:

> the centre and focus of discussion and often the term-setter, manager, and arbiter of the discussion itself. The World Bank is not, however, a neutral discussion organiser but rather an institution with a strong agenda. Notwithstanding the plethora of publications, those mixed roles do not assure transparency or accountability or even equitable access to a debate in which issues are fully aired and critics have effective time at the microphone.

Finally, the Bank has encouraged greater collaboration with other development agencies in undertaking analytical work, in an attempt to pool knowledge and harmonise approaches across donors. These efforts are reflected in a growing body of joint Economic and Sector Work products delivered mainly to IDA clients, including those focused on poverty, financial management, private sector development and the

[20] See, for instance, Bank management’s response to an evaluation of IDA activities (OED 2002, p. 98):

> while the country must ‘own’ its vision and program, IDA must ‘own’ and be accountable to shareholders for its diagnosis and the programs it supports. In most cases, the country’s vision, priorities and analysis and the Bank’s diagnosis are mutually interactive, supporting and complementing each other. Economic and Sector Work, prepared and shared with clients and partners, provides key inputs and an analytic basis that the country can use in developing its vision and its own diagnosis.

environment (IDA 2003d, pp. 3-4).[21] These 'partnerships' with other donor agencies enable the Bank to leverage its effort and to have greater impact, as other aid agencies increasingly use the Bank's diagnostic results and findings in their own country programmes (IMF/WB 2004, p. 6).

In sum, while Economic and Sector Work was originally justified on the basis of fiduciary concerns, it has increasingly assumed an 'advocacy' role – spanning a broad range of issues, often undertaken under alleged 'participatory' guise, and benefiting from a substantial dissemination exercise. Further, the Bank has come to refer explicitly to its Economic and Sector Work as 'global public goods', to be used to 'motivate reforms through cross-country comparisons and benchmarking' (WB 2005d, p. 30). Indeed, in the two instances in which Deaton refers to this type of analytical and advisory activity, the Doing Business Reports and the Investment Climate Surveys, these are commended for the benchmarking role they could fulfil – without an indication of the particular policy matrix promoted through these reports or its repercussions for (private sector) development, but with such omissions being much in line with the Deaton bias identified above (p. 49).

In my own work on aid effectiveness and Bank policy, I have taken a closer look at a set of these reports – including Investment Climate Assessments – as these came to play an increasingly important role in the CPIA assessment exercise and thus in Bank aid allocations (see above). The Investment Climate Assessments, for instance, were introduced as part of the Bank's Private Sector Development Strategy with the purpose of providing the means of tracking the performance of a country on achieving Private Sector Development targets (IEG 2006, p. 84). As such, an Investment Climate Assessment seeks to analyse conditions for private investment and enterprise growth in a particular country (and across various sectors). Underpinning every Investment Climate Assessment is a standard core Investment Climate Survey, which benchmarks indicators of the quality of a country's investment climate in a way that seeks to facilitate cross-country comparisons as well as the monitoring of changes in individual countries over time.

Scrutiny of a sample of these assessments reveals the recurrence of the following imperatives: establish a low-cost business operating environment; update the investment code to establish a 'competitive' investment environment; lower taxes on firms; ensure 'sound' financial market development in which the government does not crowd out the private sector, in which state owned banks are privatised, and where banking regulations are revised to relax barriers; privatise social sector and infrastructure services provisioning; continue trade reform; fight corruption; reduce fiscal deficits; establish clear land titles; increase labour market flexibility as well as enhance productivity of the labour force through education and training (with a facilitating rather than provision role for the government).[22] For Ellerman (2001), a former Bank official, Investment Climate Assessments tend to be biased in interpreting the investment climate in terms of foreign investors and assess foreign investors' needs in what are described as 'dangerously narrow terms' – favouring

[21] See www.countryanalyticwork.net , a joint donor website which compiles country analytic work by various organisations.
[22] For a list of completed ICA reports, see http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/EXTAFRSUMAFTPS/0,,contentMDK:20763282~menuPK:2059605~pagePK:51246584~piPK:51241019~theSitePK:2049987,00.html#completed While ABRs are confidential and the client controls the distribution outside the WBG/government circle, ICAs are often posted on the WB website following clearance.

labour market flexibility over job stability and human capital investment, and stock market liquidity over long-term predictable investment flows.

Economic and Sector Work is complemented by the Bank's training programme through the World Bank Institute and by its support for a host of 'global' knowledge initiatives, including the Global Development Gateway, the Global Development Network and, more recently, the Researchers' Alliance for Development.

The World Bank Institute is the main training and educational unit of the Bank. It aspires to be a 'centre of global learning and dissemination of knowledge about development' (WBI 2005). It designs and delivers courses (traditional and long-distance), seminars, and policy advice, and seeks to provide 'a forum for the exchange and dissemination of practical knowledge gathered on the basis of the extensive research and operational experience of the Bank' (WBI 1999). The activities of the World Bank Institute have dramatically expanded over the last decade. The table below documents how, in 2005, the institute trained 110,000 people, up from a mere 7,000 in 1996. This has somehow fallen to 80,000 in 2006.

Table 2.3: Number of participants in WBI client training

	1956	1973	1982	1991	1996	1997	1999	2002	2004	2005	2006
Number of participants	20	496	1,700	2,900	7,000	20,000	28,000	48,000	79,000	110,000	80,000

Sources: WBI (2005); WB (2001c, p. 26) for 1996; WBI (2007) for 2006.

Further, whereas the World Bank Institute traditionally focused on government cadres or local policymakers for its training programmes, it now targets a broader audience and trains apart from government officials (40 percent), also academics (30 percent), representatives from the private sector (15.8 percent) and non-governmental sector (9.8 percent), parliamentarians (1.8 percent) and journalists (1.7 percents) (WBI 2007).[23] The programmes of the World Bank Institute are distributed over four thematic areas as follows: governance, regulation, finance and private sector development (33 percent); poverty reduction and economic management (33 percent); human development (19 percent); environment and sustainable development (17 percent).

In addition to the World Bank Institute, the Bank has sponsored a host of knowledge initiatives and provides non-lending technical assistance, with expenditure on the latter amounting to over US$ 100 millions in 2005 (WB 2007, p. 96). [24] The most remarkable of these knowledge initiatives are the Global Development Gateway, the Global Development Network and, most recently, the Researchers Alliance for Development.

First, the Global Development Gateway (http://home.developmentgateway.org) seeks to provide, on a single website, a common platform for shared material, dialogue and problem solving that is easier to access than the current wealth of information on the internet (King and McGrath 2004, p. 78). Compared to the Bank's existing external website, the ambition of the Gateway is to provide not just information and/or

[23] Figures in brackets are the share of the respective group in total trainees of the World Bank Institute for 2006.
[24] This is inclusive of trust funds (which accounted for almost US$ 70 millions).

documentation, but judgement and analysis about best practice, along with scope for interactivity and matchmaking (p. 79). The site aims to meet the information and knowledge needs of a wide range of clients, from a local NGO looking for funding possibilities or an investor looking for joint venture partners to a donor wishing to know the latest on aid flows; as well as to provide global state-of-the-art knowledge and country-specific data. The Gateway offers four portal-based knowledge services: Knowledge/Topics; DgMarketplace; Aida; and Country Gateways. Knowledge/Topics assembles and publishes web content on some thirty development issues. Content is contributed by around 130 organisations and content editors from inside and outside the Bank manage each topic area (WB 2003f, p. 31). The DgMarketplace offers procurement listings from the Bank and other development agencies. AiDA publishes a directory of data on the Bank, other multilateral projects and all OECD-member bilateral projects. The Country Gateway is a centralised service that provides advisory services, technical support and help in mobilising funds for the establishments of country-based portals.

The Bank provided a total of US$ 15.5 millions for the start-up of the Global Development Gateway. Following the creation of the independent not-for-profit Development Gateway Foundation in 2001, the Bank, as a member of the board of the Foundation, agreed to provide an additional US$ 5 millions over the next three years through its Development Grant Facility.[25] The Bank operates the Global Development Gateway through a service agreement costing the foundation US$ 6 millions (none of which can come from the funds provided to the foundation from the Development Grant Facility), and the Bank controls the positions of President and Treasurer of the Foundation, as well as three seats on the 18-member board (WB 2003f, p. 32).[26]

Although the Gateway is formally established externally to the Bank, the Bank sees it as an important vehicle for its knowledge strategy (WB 2001c, p. 28; see also Wilks 2001). The Foundation's business plan (WB 2001b, paragraph 39) clarified that:

> While maintaining an arm's length relationship with respect to governance, it is expected that the Foundation will choose to align itself on a programmatic basis with key initiatives in the WB's knowledge strategy by building upon existing projects wherever possible. Key relationships envisaged thus far include those between the Foundation and the Information for Development Program (infoDev), the Global Development Network and the Global Development Learning Network.

This raised concerns that the Global Development Gateway might strengthen the Bank's 'knowledge' position and crowd out existing sites of knowledge sharing (Wilks 2001). A study commissioned by the Bretton Woods Project four years after the initiation of the Global Development Gateway found that it remained closely linked to the World Bank at the operational and strategic levels; that its information

[25] In FY01-02, the Bank also provided US$ 3.5 millions in grants for the Country Gateway Programme through *info*Dev. The Foundation attracted more than US$ 70 millions in additional funding (WB 2003f, p. 32).

[26] At the time, these arrangements prompted accusations of fraud and corruption by civil society organisations (see BWProject 2001). See also Marres (2004) on the Bank consultations on the Gateway with NGOs, and on how the modification of the Gateway's formal institutional status prompted by these consultations was limited to cosmetic interventions and failed to produce a governance structure for the Gateway that could assure its independence from the Bank.

is predominantly from Northern sources; that its operations are not transparent or accountable to civil society; and that there is no clear identification of who the beneficiaries are and how they might benefit (Wilks 2004; Jha et al. 2004).

Secondly, in 1999 the World Bank launched the Global Development Network, with a stated mission (1999b, p. 3):

> to strengthen the capacity of developing country research institutions to perform policy-relevant research, to help them establish themselves as effective spokespersons on behalf of civil society, and to support their efforts to introduce the results of research into the policy debate.

The Global Development Network is explicitly intended to be a forum for Southern knowledge-sharing through the organisation of conferences, collaborative research, research awards, etc, and more than 1,000 research and policy institutes throughout the developing world participate in Global Development Network activities. The initiative for the Global Development Network originated in DEC at the instigation of then Vice-President, Joe Stiglitz, and in partnership with the World Bank Institute. Today the Global Development Network prides itself on its formal independence with headquarters in New Delhi, notwithstanding continuing budgetary dependence of more than sixty percent on the World Bank (GDN 2005, p. 31). Since its inception, the Global Development Network Secretariat has also been headed by a former Bank official.[27]

For Stiglitz (2000b), the Knowledge Bank 'scans globally' for best practice and the Global Development Network partners 'reinvent locally'. Local policy and research institutions are to adapt and prepare a 'transplanted policy initiative' to 'better survive and perhaps thrive in the local environment' (see also Squire 2001). As such, and more so when viewed against the backdrop of a persistent decline in national institutes of research in developing countries over the last two decades (see below), the Global Development Network can potentially play an important role in structuring the supply of development knowledge within developing countries, strengthening the advocacy and agenda-setting capacities of certain think-tanks and amplifying one discourse of a particular (economic) knowledge in preference to alternative voices (see also Kapur 2003, p. 14). Certain policy approaches are reinforced by the multiplication of organisations at a domestic level and, although alternative perspectives on development and grass-roots knowledge are not necessarily excluded by either the Bank or the Global Development Network, their influence is more tenuous given the particular status (and state) of the discipline of development economics, and the role of the Bank therein. Indeed, in his response to the Deaton Report, Joe Stiglitz (2007, paragraph 17), instigator of the Global Development Network, points to such a danger:

> I agree that one of the ways in which the Bank promotes development is to encourage better research around the world, and in particular in developing countries. That was why I instituted guidelines for encouraging joint research with those in developing countries and worked to create the Global Development Network. But given the dominant role that the Bank has in development research, there is a real need for care. There is a risk that the Bank uses its financial resources to divert research towards the agenda which it is pushing, and away

[27] See Johnson and Stone (2000) on the genesis of the Global Development Network.

from concerns of those in the country; or that it pushes the current development fads in the developed world. It can lead to a strengthening of an Orthodoxy. Some of these fears are surfacing in the context of Bank supported research in Africa … The GDN Africa Growth Project had put forth a set of views on the constraints or influences on growth in Africa which was strongly challenged, especially by African participants not associated with the Growth Project. Special efforts to maintain diverse perspectives will be required.

Finally, in 2005, the Bank's External Affairs department initiated the Researchers Alliance for Development. The Researchers Alliance for Development is an informal network of researchers and academics that currently comprises more than 500 representatives of academic institutions and research centres, as well as research units in NGOs, bilateral agencies, the private sector and trade unions.[28] While the Global Development Network seeks to promote the development of research capacity and research networks in developing countries, with potentially significant implications for the nature of the ideas thus reinforced, the Researchers Alliance for Development seeks to foster relations between the Bank and outside academic and research expertise. Its stated objectives are as follows: to strengthen the voice of the academic and research community within the Bank and the international development community; to increase the flow of ideas between academics, policy makers, the Bank and other development agencies; to serve as a bridge between research bodies (individuals, institutes and networks), regional networks and other affiliates of the Bank; and to inform Researchers Alliance for Development members of the latest opportunities offered by the Bank (grants, calls for papers, research projects) (RAD 2005, p. 2). The Researchers Alliance for Development Secretariat is located at the Bank's Paris office and is co-ordinated by the Bank's Development Policy Dialogue Team (External Affairs, Europe).

Since its recent inception, the Researchers Alliance for Development has engaged in the following activities. It offers 'Compact Seminars' on development to universities around the world. A 'Compact Seminar' is a two- to three-day series of workshops and presentations, RAD (2006, p. 6):

> aimed to raise awareness on development-related issues and policies among graduate students of various fields of study, young professionals and representatives of civil society organisations.

The seminars are prepared and carried out by the Bank (External Affairs, Europe) in partnership with the host institution and local Bank offices. The seminars are offered by the Bank free of charge, with running costs of the seminar usually split between the host institution and the Bank (with exceptions for institutions in developing countries). Since 2004, Compact Seminars have been organised in the following institutions: Jadavpur University, India;[29] Cairo University, Egypt;[30] Warsaw School of Economics, Poland;[31] Kiev Mohyla Business School, Ukraine;[32] Sorbonne

---

[28] For a list of member institutions, see http://siteresources.worldbank.org/INTRAD/Resources/RADmemberinstitutionsJuly2006.pdf.

[29] For the programme, see http://siteresources.worldbank.org/INTRAD/Resources/ProgramJadavpurUniversity.pdf.

[30] For the programme, see http://siteresources.worldbank.org/INTRAD/Resources/CairoUniversity.pdf.

[31] For the programme, see http://siteresources.worldbank.org/INTRAD/Resources/WarsawSchoolofEconomics.pdf.

Pantheon University, Paris.[33] From the respective programmes of these seminars, it seems that their main aim is to promote the activities of the World Bank Group, with a particular emphasis on its private sector activities ('what role for the World Bank Group in a changing world?'; 'the World Bank Group and its operational tools'; 'opportunities to work with the World Bank Group').[34]

Apart from this 'roaming' seminar format, the Bank provides an in-house 'Global Issues Seminar Series' in which it offers semester-long series of weekly lectures by Bank staff (or staff from other international organisations) and delivers these simultaneously using video-conferencing technology to students of 5 to 7 universities in different parts of the world.[35] The Researchers Alliance for Development, further, participates in the organisation of conferences and workshops on the Bank and the study of development (Annual Bank Conference on Development Economics and an annual workshop on the World Bank); invites students from universities around the world to share their papers on the Bank through its website;[36] provides opportunities for students to present their work at Bank offices; and seeks to establish links between the Bank and academic networks (such as the Coimbra Group, the International Association of University Presidents, and the Association of Commonwealth Universities).

From its current activities, it seems that the Researchers Alliance for Development is concerned more with promoting the operations and analytical propositions of the Bank across the broader academic community, with a particular emphasis on younger participants (students or recent graduates), rather than with exposing the Bank to outside expertise – in accordance with its officially ascribed mission (see also Stone 2007). The raises the issue whether Researchers Alliance for Development merely seeks to bestow the Bank's knowledge mission with further legitimacy (see also Van Waeyenberge 2006b, p. 25).

The overview of these various knowledge activities indicates that the Bank's knowledge exercise is vast indeed! Crucially, in light of the current assessment of the Deaton evaluation, the bulk of it spans a set of activities beyond what the Bank categorises as 'research', and hence beyond Deaton. Further, while these various activities are often vested with an explicit advocacy purpose, most apparent in the Bank's Economic and Sector Work, but equally so for the activities of the World Bank Institute and, if more implicitly, the various global knowledge networks, they remain the subject of relatively little scrutiny. Assessing the implications of the Bank's knowledge role for policy, advocacy and scholarship, nevertheless, necessitates their consideration, an imperative that is picked up in the conclusion to this paper.

Finally, I want to end this section by placing the Bank's knowledge emphasis, and the various initiatives it has engendered, in the light of the realities of knowledge creation in developing countries, where a set of factors have severely affected domestic capacity for policy analysis. First, there has been a sustained erosion and

---

[32] For the programme, see http://siteresources.worldbank.org/INTRAD/Resources/CSKMBSDraftAgenda.pdf.

[33] For the programme, see http://siteresources.worldbank.org/INTRAD/Resources/CSagenda.pdf.

[34] The content of the first four seminars was very similar, with minor variations. The last seminar, in Paris, incorporated the Bank's latest emphasis on infrastructure and development.

[35] The seminar series is designed and directed by External Affairs in Washington. See the RAD website for the topics and reading lists.

[36] See http://wbln0018.worldbank.org/exteu/SharePapers.nsf/pages/Homeen.

undermining of state capacity for policy analysis in developing countries that have been engaged in far-reaching structural adjustment exercises (see Bangura 2000; Mkandawire 2002). This has been the result of a number of factors, including fiscal stringency imposed upon states, a heavy reliance on expatriate technical staff by donor agencies, and the particular way in which 'ownership' has been understood by donors, where in the words of Mkandawire (2002, p. 155), 'capacity-building' exercises have more the character of cloning than the production of people with critical analytical skills.

This has been compounded, secondly, by a sustained erosion of the university sector as a centre of knowledge in many low-income countries (see King 2001a). A complex set of factors have contributed to such a state of affairs, some of which relate to donor policies.[37] In the context of the latter, the 1980s and most of the 1990s were marked by an emphasis on support for primary education and away from higher education. Such a shift was inspired by rates of return analysis on education, mainly advocated by World Bank economists, who promoted the idea that the highest private and social rates of return to education were at the primary level. In addition, the notion prevailed that subsidisation of higher education did not benefit the poor. The effect of the shift away from higher education was particularly severe in Sub-Saharan Africa, where Bank support for higher education plunged dramatically in the 1980s (see Bangura 2000; Samoff and Bidemi 2003). This effect was compounded by donors' support for a consultancy culture, where think tanks rather than universities tended to be favoured as sites of policy analysis (Vaa 2003; Samoff and Bidemi 2003).

The knowledge discourse has, nevertheless, led to the re-emergence of higher education on the donor agenda (see Mundy 2002; King and McGrath 2004). However, and thirdly, this has happened against the backdrop of the rapid privatisation and internationalisation of the market in education and policy services – developments in which the Bank has played an important role, and which are reflected in a rapid increase in involvement of the International Finance Corporation in the education sector (IFC 2001; Salmi 2002).[38] For King (2001b, p. 18):

> The new preoccupation with Knowledge Management in the North must be situated in the context of the brave new world of the internationalisation of the trade in educational services. It must also take account of the aggressive internationalisation of higher education in the North and the continuing challenges to the sustainability of research knowledge in the South.

The internationalisation of higher education has significant implications for the development of higher education in developing and transition countries. National institutions are likely to be faced with increasingly intense competition from foreign providers which, without appropriate protective measures by the institutions themselves or by governments, could seriously affect their status and survival in the medium to long term (Bennell and Pearce 1998, p. 24; King 2001a). This may have further implications for in-country capacity to contribute to the conceptualisation of the policy space in accordance with the specificities of the country.

---

[37] On the various reasons for the decline of higher education and research institutions in crisis-struck countries, see Rasheed (1994); Mkandawire (1997); Bangura (2000) ; Mkandawire (2000); Samoff and Bidemi (2003); Vaa (2003).

[38] For critical commentary on this trend, see Norrag News (1998); Norrag News (2000); Coraggio (2001); King (2001a); Scherrer (2005).

6. Conclusion

This paper has sought to provide a critical mapping of the Bank as Knowledge Bank, with the Deaton Report as point of departure. Exposing the limits of Deaton served to draw attention to, on the one hand and in the context of the aid effectiveness research, the operational and rhetorical or ideological context within which Bank research exists and, on the other, the broad contours of the Knowledge Bank much beyond activities formally designated as research by the institution – the remit of the Deaton.

The imperative emerges for both broader and deeper scrutiny of the various aspects of Bank 'knowledge' activities. Important benefits for the development community could derive from a comprehensive assessment of the Bank's knowledge exercise, with particular attention for its country- or sector-specific analytical work. Such an endeavour would gain significantly from possibilities for collaboration offered by an environment like the London International Development Centre, as it could formally draw on those steeped in specialist knowledge as, for instance, on education or health. Such a critical examination of the Bank's vast knowledge realm appears all the more important given the prominence attributed to non-lending services and capacity building by the Bank in its most recent Long Term Strategic Exercise (WB 2007b).

7. References

Bangura, Y. (2000) 'Public sector restructuring: the institutional and social effects of fiscal, managerial and capacity-building reforms', UNRISD, Occasional Paper 3, Geneva.

Bennell, P. and T. Pearce (1998) 'The internationalisation of higher education: exporting education to developing and transitional economies', IDS Working Paper 74, University of Sussex, Brighton.

Bergesen, H. O. (1999) *Dinosaurs or Dynamos: the UN and the WB at the Turn of the Century*, London: Earthscan.

Beynon, J. (2001) 'Policy implications for aid allocations of recent research on aid effectiveness and selectivity', paper presented at the Joint Development Centre/DAC Experts Seminar on Aid Effectiveness, Selectivity and Poor Performers, OECD, Paris, 17 January 2001, available at: www.oecd.org/dataoecd/15/62/2664833.pdf.

Bourguignon, F. (2006) 'Chief economist's response: an evaluation of World Bank research, 1998-2005', World Bank, available at: http://siteresources.worldbank.org/DEC/Resources/84797-1109362238001/726454-1164121166494/Research-Evaluation-2006-Chief-Economist-Response-11-27-06-FINAL.pdf.

Broad, R. (2006) 'Research, knowledge, and the art of 'paradigm maintenance': the World Bank's Development Economics Vice-Presidency', *Review of International Political Economy* 13(3): 387-419.

Brock, K., R. McGee and R. Ssewakiryanga (2002) 'Poverty knowledge and policy processes: a case study of Ugandan national poverty reduction policy', IDS Research Report 53, University of Sussex, Brighton.

Burnside, C. and D. Dollar (1997) 'Aid, policies and growth', World Bank, Policy Research Working Paper 1777, Washington, DC.
_______ (2000) 'Aid, policies and growth', *American Economic Review* 90(4): 847-68.
BWProject (2001) 'Gateway independence: only skin deep? New documents and anti-corruption claim cast doubts on new foundation', available at: http://www.globalpolicy.org/nations/corrupt/2001/0719wbnk.htm.
Collier, P. (1997a) 'The failure of conditionality', in C. Gwin and J. Nelson (eds) *Perspectives on Aid and Development*, Washington, DC: Overseas Development Council.
_______ (1997b) 'Aid and economic development in Africa', Centre for the Study of African Economies, Department of Economics, University of Oxford, Oxford.
_______ (2000) 'Conditionality, dependence and coordination: three current debates in aid policy', in C. Gilbert and D. Vines (eds) (2000).
Collier, P. and D. Dollar (1999) 'Aid allocation and poverty reduction', World Bank, Policy Research Working Paper 2041, Washington, DC.
________ (2001) 'Can the world cut poverty in half. How policy reform and effective aid can meet IDGs', *World Development* 29(11): 1787-1802.
________ (2002) 'Aid allocation and poverty reduction', *European Economic Review* 46(8): 1475-1500.
_______ (2004) 'Development effectiveness: what have we learnt?', *Economic Journal* 114(496): 244-71.
Coraggio, J-L. (2001) 'Universities and national knowledge-based development: an alternative to a global knowledge bank', in W. Gmelin et al. (eds) (2001).
Dollar, D. (2001) 'Some thoughts on the effectiveness of aid, non-aid development finance and technical assistance', *Journal of International Development* 13: 1039-55.
Dollar, D. and W. Easterly (1999) 'The search for the key: aid, investment and policies in Africa', *Journal of African Economies* 8(4): 546-77.
Dollar, D. and A. Kraay (2002) 'Growth is good for the poor', *Journal of Economic Growth* 7(3): 195-225.
Dollar, D., S. Devarajan and T. Holmgren (2001) 'Overview', in WB (2001a).
Doornbos, M. (2000) ' "Good governance": the rise and decline of a policy metaphor?', *Journal of Development Studies* 37(6): 93-108.
_______ (2001b) *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*, Cambridge Mass: MIT.
_______ (2002) 'How did heavily indebted poor countries become heavily indebted? Reviewing two decades of debt relief', *World Development* 30(10): 1677-96.
_______ (2003) 'Can foreign aid buy growth?', *Journal of Economic Perspectives* 17(3): 23-48.
Easterly, W., R. Levine and D. Roodman (2003) 'New data, new doubts: a comment on Burnside and Dollar's "Aid, policies and growth" ', *American Economic Review* 92(4): 1126-37.
Ellerman, D. (2001) 'From sowing to reaping. Improving the investment climate(s)', available at: http://www.ellerman.org/Davids-Stuff/Memos/SOW&REAP.PDF.
Fine, B. (2008), 'Social capital and health: the World Bank through the looking glass after Deaton', draft paper for presentation on 12th March 2008, SOAS/LIDC.
_______ (2001a) *Social Capital versus Social Theory: Political Economy and Social Science at the Turn of the Millennium*, London: Routledge.
Gavin, M. and D. Rodrik (1995) 'The World Bank in historical perspective', *American Economic Review* 85(2): 329-34.

GDN (2005) *Annual Report 2005*, available at: http://www.gdnet.org/pdf2/annual_reports/Annual_Report_2005.pdf.

Gelb, A., B. Ngo and X. Ye (2004) 'Implementing performance-based aid in Africa: The Country Policy and Institutional Assessment', World Bank, Africa Region Working Paper 77, Washington, DC.

Gilbert, C and D. Vines (eds) (2000) *The World Bank: Structure and Policies*, Cambridge: Cambridge University Press.

Gilbert, C., A. Powell and D. Vines (1999) 'Positioning the World Bank', *Economic Journal* 109 (459): 598-633.

IDA (2005) *Additions to IDA Resources: Fourteenth Replenishment. Working Together to Achieve the Millennium Development Goals*, Report from the Executive Directors of the IDA to the Board of Governors, Washington, DC.

IDA (2002b) *Additions to IDA Resources: Thirteenth Replenishment. Supporting Poverty Reduction Strategies*, Report from the Executive Directors of the IDA to the Board of Governors, available at: http://siteresources.worldbank.org/IDA/Resources/FinaltextIDA13Report.pdf.

________ (2003d) 'Progress on Economic and Sector Work in IDA countries', IDA, October, available at: http://siteresources.worldbank.org/IDA/Resources/MTRESW.pdf.

________ (2004e) 'Working together at the country level. The role of IDA', IDA, September 2004.

________ (2006a) 'Economic and Sector Work progress report', IDA, Operations Policy and Country Services, October, available at: http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1164920192653/ESW.pdf.

IEG (2006) *Improving Investment Climates. An Evaluation of World Bank Group Assistance*, Washington, DC: World Bank.

IFC (2001) 'Investing in private education: IFC's strategic directions', IFC, Health and Education Group, Washington, DC.

IMF/WB (2004) 'Strengthening the foundations for growth and private sector development: investment climate and infrastructure development', background paper for the Development Committee Meeting, September, Washington, DC.

Jha, V. et al (2004) 'Development Gateway: biased, unaccountable and overpriced?', BWProject, available at: http://www.brettonwoodsproject.org/art.shtml?x=73029.

Johnson, E. and D. Stone (2000) 'The genesis of the GDN', in D. Stone (ed) (2000).

Kapur, D. (1997) 'The new conditionalities of the International Financial Institutions', *International Monetary and Financial Issues for the 1990s Volume VII*, Geneva: UNCTAD.

________ (2002) 'The changing anatomy of governance of the World Bank', in J. Pincus and J. Winters (eds) (2002).

________ (2003) 'Do as I say not as I do: a critique of G-7 proposals on reforming the multilateral development banks', UNCTAD, G-24 Discussion Paper Series 20, February, Geneva.

King, K. (2001a) ' "Knowledge Agencies": making the globalisation of development knowledge work for the North and the South?', in W. Gmelin et al. (eds) (2000).

________ (2001b) ' "Knowledge Agencies": making the globalisation of development knowledge work for the North and the South?', *Norrag News* 28: 17-8.

King, K. and S. McGrath (2004) *Knowledge for Development. Comparing British, Japanese, Swedish and World Bank Aid*, Zed Books: London.

Krueger, A. (1998) ‘Whither the World Bank and the IMF’, *Journal of Economic Literature* 36(4): 1983-2020.
Lubker, M., G. Smith and J. Weeks (2002) ‘Growth and the poor: a comment on Dollar and Kraay’, *Journal of International Development* 14: 555-71.
Marres, N. (2004) ‘Tracing the trajectories of issues and their democratic deficits, on the Web. The case of the Development Gateway and its doubles’, *Information Technology and People* 17(2): 124-49.
McGillivray, M. et al. (2006) ‘Controversies over the impact of development aid: it works; it doesn’t; it can, but that depends …’, *Journal of International Development* 18: 1031-50.
Mehta, L. (1999) ‘From darkness to light? Critical reflections on the World Development Report 1998/99’, *Journal of Development Studies* 36(1): 151-61.
________ (2001) ‘The World Bank and its emerging knowledge empire’, *Human Organisation* 60(2): 189-95.
________ (2006) ‘Reinventing development research’, IDS 40th Anniversary Conference Report, IDS, University of Sussex, Brighton.
Mkandawire, T. (1997) ‘The social sciences in Africa: breaking local barriers and negotiating international presence. The Bashorun M. K. O. Abiola Distinguished Lecture Presented to the 1996 African Studies Association Annual Meeting’, *African Studies Review* 40(2): 15-36.
________ (2000) ‘Non-organic intellectuals and “learning” in policy-making Africa’, in J. Carlsson and L.Wohlgemut (eds) (2000).
________ (2002) ‘Incentives, governance and capacity development in Africa’, in UNDP (2002a).
Morrissey, O. (2000) ‘Introduction. Assessments of *Assessing Aid*’, *Journal of International Development* 12: 371-73.
Mosse, D. (2006) ‘Anti-social anthropology? Objectivity, objection, and the ethnography of public policy and professional communities’, *Journal of the Royal Anthropological Institute* 12: 935-56.
Mundy, K. (2002) ‘Retrospect and prospect: education in a reforming Bank’, *International Journal of Educational Development* 22: 483-508.
Norrag News (1998) *Knowledge Generation in Higher Education – New Challenges for North-South International Cooperation*, Norrag News 23.
________ (2000) *Knowledge, Research and International Co-operation*, Norrag News 27.
OED (2002) *IDA’s Partnership for Poverty Reduction. An Independent Evaluation of Fiscal Years 1994-2000*, Washington, DC: World Bank.
________ (2004) *The Poverty Reduction Strategy Initiative. An Independent’s Evaluation of the World Bank’s Support Through 2003*, Washington, DC: World Bank.
RAD (2005) *Brochure*, available at: http://siteresources.worldbank.org/INTRAD/Resources/RADbrochureNEW.pdf.
________ (2006) *Annual Report. A Year in Review: June 2005-June 2006*, available at: http://siteresources.worldbank.org/INTRAD/Resources/RADAnnualReport2006.pdf.
Rasheed, S. (1994) ‘Social sciences and policy making in Africa: a critical review’, *Africa Development* 19(1): 91-118.
Rich, B. (2002) ‘The World Bank under James Wolfensohn’, in J. Pincus and J. Winters (eds) (2002).
Rodriguez, F. and D. Rodrik (2000) ‘Trade policy and economic growth: a skeptic’s guide to the cross-national literature’, revised May 2000, Department of

Economics, University of Maryland, available at: ksghome.harvard.edu/~drodrik/skepti1299.pdf.
Ryrie, W. (1995) *First World, Third World*, New York: St. Martin's Press.
Salmi, J. (2002) *Constructing Knowledge Societies. New Challenges for Tertiary Education*, Washington, DC: World Bank.
Samoff, J. (1992) 'The intellectual/financial complex of foreign aid', *Review of African Political Economy* 53: 60-87.
Samoff, J. and C. Bidemi (2003) 'From manpower planning to the knowledge era: World Bank policies on higher education in Africa', paper prepared for the UNESCO Forum on Higher Education, Research and Knowledge, 15 July, available at: aafaq.kfupm.edu.sa/features/Carrol.pdf.
Scherrer, C. (2005) 'GATS: long-term strategy for the commodification of education', *Review of International Political Economy* 12(3): 484-510.
Squire, L. (2000) 'The World Bank and development research', in D. Vines and C. Gilbert (eds) (2000).
_______ (2001) 'The World Development Report and the Global Development Network', *Journal of International Development* 13: 813-21.
Standing, G. (2000) 'Brave new words? A critique of Stiglitz's World Bank rethink', *Development and Change* 31: 737-63.
Stern, N. and F. Ferreira (1997) 'The World Bank as "intellectual actor" ', in D. Kapur et al. (eds) (1997b).
Stiglitz, J. (2000b) 'Scan globally, reinvent locally. Knowledge infrastructure and the localisation of knowledge', in D. Stone (ed) (2000).
_______ (2007) 'Remarks on Bank research evaluation', available at: http://siteresources.worldbank.org/DEC/Resources/84797-1109362238001/726454-1164121166494/JES-bankResearchReviewanjesfin.pdf.
Stone, D. (2000) (ed) *Banking on Knowledge. The Genesis of the Global Development Network*, London: Routledge.
_______ (2000) 'Think tank transnationalisation and non-profit analysis, advice and advocacy', *Global Society* 14(2): 153-72.
_______ (2007) ' "Going over to the dark side?" Responsible scholarship, intellectual capture and the World Bank', University of Warwick, mimeo.
Subasat, T. (2003) 'Does the Dollar index really measure outward orientation?', *International Review of Applied Economics* 17(3): 309-26.
Tarp, F. (2001) 'Aid and reform in Africa. Book review', *Journal of African Economies* 10(3): 341-53.
Vaa, M. (2003) 'Urban research agendas, modes of financing research and considerations of quality', *Forum of Development Studies* 30(1): 108-19.
Van Waeyenberge, E. (2006) 'The missing piece: Country Policy and Institutional Assessments at the Bank', paper presented at the CSGR-RAD Doctoral Workshop on the World Bank, Lee Kwan Yew School of Public Policy, Singapore, available at: http://www2.warwick.ac.uk/fac/soc/csgr/activitiesnews/workshops/2006ws/world_bank/papers/van_waeyenberge.pdf.
Van Waeyenberge, E. (2007), 'Exploring the Emergence of a New Aid Regime: Selectivity, Knowledge and the World Bank', thesis submitted for the degree of Doctor of Philosophy in Economics, University of London.
Wade, R. (1996) 'Japan, the World Bank, and the art of paradigm maintenance: the East Asian Miracle in political perspective', *New Left Review* 217: 3-37.
_______ (2001), 'Showdown at the WB', *New Left Review* II/7.

________ (2004b) 'Is globalization reducing poverty and inequality', *World Development* 32(4): 567-89.
Weisbrot, M. et al. (2000) 'Growth may be good for the poor – but are IMF and World Bank policies good for growth?', Centre for Economic and Policy Research, Briefing Paper, draft, Washington, DC.
Wilks, A. (2001) 'Development through the looking glass: the Knowledge Bank in cyber-space', paper prepared for the 6th Oxford Conference on Education and Development, Knowledge Values and Policy, September 2001.
________ (2004) 'The World Bank knowledge roles: dominating development debates', BWUpdate 40, available at: http://www.brettonwoodsproject.org/art.shtml?x=51862.
Wilks, A. and F. Lefrançois (2002) 'Blinding with science or encouraging debate? How World Bank analysis determines PRSP policies', BWProject/World Vision, London.
Wolfensohn, J. (1996a) 'People and development', Address to the Board of Governors at the Annual Meetings of the World Bank and the IMF, October, Washington, DC.
World Bank (1994) *Adjustment in Africa: Reforms, Results and the Road Ahead*, Washington, DC: World Bank.
________ (1997a) 'Adjustment lending in Sub-Saharan Africa', Operations Evaluation Department, Update Report 16594, Washington DC.
_________ (1997b) *Annual Report 1997*, Washington, DC: World Bank.
_________ (1997d) *Strategic Compact*, Washington, DC: World Bank.
_________ (1998a) *Assessing Aid. What Works, What Doesn't and Why*, New York: Oxford University Press for the World Bank.
_________ (1998c) *World Development Report 1998/9. Knowledge for Development*, New York: Oxford University Press for the World Bank.
_________ (1999b) 'Building economic research capacity around the world', *World Bank Policy and Research Bulletin* 10(3), available at: http://www.worldbank.org/html/dec/Publications/Bulletins/prb10,3.html#box2.
_________ (2001a) *Aid and Reform in Africa*, Washington, DC: World Bank.
_________ (2001b) 'The Development Gateway Foundation business plan', June 28, Washington, DC.
_________ (2001c) 'Assessment of the Strategic Compact', Strategy and Resource Management Vice-Presidency, March 13, Washington, DC.
_________ (2001d) 'Strategic Directions for FY02-FY04. Implementing the World Bank's Strategic Framework', March 28, Washington, DC.
_________ (2001e) 'World Bank Group Strategic Framework', January 24, Washington, DC.
_________ (2002a) *A Case for Aid: Building a Consensus for Development Assistance*, Washington, DC: World Bank.
_________ (2002e) 'Annual report on portfolio performance fiscal year 2002', Quality Assurance Group, February, Washington, DC.
_________ (2002i) *Report on the World Bank Research Program Fiscal 2000 and 2001 and Future Directions*, Washington, DC: World Bank.
_________ (2003f) 'Sharing knowledge. Innovations and remaining challenges', Operations Evaluation Department, October 8, Washington, DC.
_________ (2003m) 'Strategy update paper for FY04-06. Implementing the World Bank's Strategic Framework', March 7, Washington, DC.

_________ (2004c) *2003 Annual Review of Development Effectiveness. The Effectiveness of Bank Support for Policy Reform*, Washington, DC: World Bank.
_________ (2004k) 'Annual report on portfolio performance fiscal year 2003', Quality Assurance Group, Washington, DC.
_________ (2005d) *2004 Annual Review of Development Effectiveness. The Bank's Contributions to Poverty Reduction*, Washington, DC: World Bank.
_________ (2007) *Report on the World Bank Research Program, Fiscal Years 2004 and 2005, and Future Directions*, Washington, DC: World Bank.
_______ (2007b) *Meeting the Challenges of Global Development. A Long Term Strategic Exercise for the World Bank Group*, Washington, DC: World Bank.
World Bank Institute (1999) WBI Factsheet, mimeo.
_______ (2005) *Annual Report 2005*, Washington, DC: World Bank.
_______ (2007) *Annual Report 2007*, Washington, DC: World Bank.
Zhang, S. (2002) 'Memorandum to committee on development effectiveness', foreword to WB (2002f) 'Quality of ESW in FY01', Quality Assurance Group, March, Washington, DC.

Appendix 1: Economic and Sector Work at the Bank.

Core diagnostic ESW:

The *Country Economic Memorandum* (CEM) and *Development Policy Review* (DPR) seek to provide an analysis of key aspects of a country's economic development, such as growth, fiscal reform, public administration, foreign trade, financial sector development and labour markets. They assess strengths and weaknesses of an economy and its policies, and provide a set of policy recommendations – much in line with the priorities embodied in the CPIA matrix.

The *Poverty Assessment* (PA) seeks to provide information on the causes and consequences of poverty in a country and examines how public policies, expenditures, and institutions affect poor people. It provides a profile of the poor – detailing their living conditions and describing their changing situation over time – and seeks to identify a set of challenges perceived as confronting those trying to escape poverty. PAs tend, however, to be characterised by the following shortcomings (see Hanmer et al. 1999). They over-emphasise an income measure of poverty, defined against an arbitrary poverty line (see Reddy and Pogge 2005). They are often weak in identifying the structural causes of poverty and disregard historical elements, the political context and such international dimensions as debt and commodity prices. Instead they tend to focus on aggregate and sectoral growth performance as the main explanatory factors of poverty trends. Their recommendations are usually centred on a three-pronged approach – much in line with what was set out in the *1990 World Development Report*, which focuses on: increasing the opportunities of the poor to use their most abundant asset (labour) primarily through agriculture-driven growth; augmenting their capacity to take advantage of increased opportunities (investments in 'human capital'); and guarantee social safety nets for residual poverty groups (WB 1990b) – now approached within a framework organised around the MDGs (see Hanmer et al. 1999 for a critique).

A *Public Expenditure Review* (PER) aims to analyse the equity and efficiency of public expenditure and to assess the effectiveness of public expenditure management processes in achieving 'fiscal discipline' and enabling 'cost-effective' public service provision. The PER tends to embed recommendations in line with the governance cluster of the CPIA and is anchored on an IMF diagnosis and conditions regarding public finance (including wage bill targets; inflation targets; and budgetary positions). A bias against increasing public expenditures tends to prevail, accompanied by directions to deepen structural reforms such as privatisation, marketisation and liberalisation. Furthermore, recommendations regarding public procurement put forward in a PER may serve as a conduit for opening up government procurement processes not only to internal competition but also to external competition from foreign firms (Tan 2006).

A *Country Financial Accountability Assessment* (CFAA) seeks to evaluate the overall quality of a country's public financial management system, covering budgeting, accounting, reporting and auditing, and external scrutiny of public finances (WB 2004c).

A *Country Procurement Assessment Review* (CPAR) assesses a country's public sector purchasing procedures and provides guidelines regarding a country's system for procuring goods, works and services (WB 2004c).

Appendix 2: Summary of non-lending services for Ghana (FY03-07) (as of February 9, 2004)

Recent completions	Underway	Planned
JSA/PRSP	CEM on Growth, Poverty and Budgeting	WB-Parliamentary quarterly dialogue sessions
Gender Assessment	Country Assistance Strategy (CAS)	Investment Climate Assessment (ICA)
Ghana Poverty Note	Energy Policy Note	Country Environmental Assessment
Client Survey	Public Expenditure Review (PER)	Country Portfolio Performance Review
Country Procurement Assessment Review (CPAR)	Trade Study	Telecommunications
Administrative Barriers (FIAS study)	Energy PSIA	CAS Progress Report
Microfinance Background Study	National Health Insurance Implementation	PER
	Post Financial Sector Assessment Prog. Follow-up	Benchmarking Study (MIGA)
	Promoting Foreign Investment (IFC/MIGA)	Communications Review
	Country Financial Accountability Assessment (CFAA)	Public-Private Partnerships
	Communication and Outreach, incl. Media	Urban Strategy Note
	PRSP Progress Report	Natural Resource Management
	Accounting &Auditing ROSC	Community Empowerment
	Ghana Corporate Governance Assessment	Disability in Ghana
	Poverty and Social Impact Analysis	CFAA
	Capacity Building for Sustained Sub-national regional Development Compet.	Employment and Youth Study
	HIPC Tracking Assessment and Action Plans	Poverty Assessment (PA)
	Development Dialogue Series	Country Economic Memorandum (CEM)
	HIPC Completion Point	CPAR