Lost in translation? Micro- and macro-processes in the World Bank

Willy McCourt

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Abstract

This paper uses the World Bank and its implementation of the Paris Declaration on Development Effectiveness and the targets agreed at a follow-up conference in Busan, Korea as its vehicle for extending our understanding of micro-processes in international organizations. The Paris Declaration asserts that development agencies should dance to developing countries' tune rather than impose their own priorities.

The Bank has performed relatively well against the Busan targets, but still falls short of meeting them even formally. This is because the Bank's commitment to the Busan targets is swamped by other effective commitments. They are the commitments of the Bank's governing Board, in which the United States has a disproportionate influence; the commitments of the Bank's President, appointed effectively by the US but with an agenda of his own; and the professional commitments of the Bank's career staff, who have a history of going their own way, given that the Bank is a professional bureaucracy whose "operating core" has real power.

The Bank's strategizing in Sri Lanka shows how this plays out at country level. Having put in place two new global goals, ending absolute poverty and sharing prosperity, the Bank's management implemented a Strategic Country Diagnostic (SCD), leading in turn to a Country Partnership Framework (CPF), in order to give effect to the twin goals in its country operations. In Sri Lanka, the SCD and CPF refer to the government's priorities, but they are subordinate to the Bank's twin goals. There is also considerable continuity between the new CPF priorities and the earlier strategic priorities which they are superseding, suggesting that priorities are also influenced by Bank staff's professional preoccupations and personal interests. The result is that the Bank pays mere lip service to the Sri Lankan government's priorities.

In short, setting priorities in the World Bank entails a complex interplay between macro-and micro-processes, all the way from the global processes which make the United States the dominant influence on the Bank as a whole to the human processes where individual Bank staff jockey for position. In this complex interplay, however, the priorities of a developing country like Sri Lanka are "lost in translation", and the Paris Declaration is negated.

It is easy to specify changes that would make the Paris Declaration a reality for the World Bank: a Bank Board whose rich members do not have disproportionate influence; a Bank President ready to subordinate his own agenda to the interests of the Bank's developing country clients; and Bank staff who have been given incentives to take country ownership seriously. It is less easy to envisage circumstances in which those changes would materialize.

1 Ownership of development priorities

1.1 The Paris Declaration and development effectiveness

This paper concerns a special case of international organizations: the international development agencies. Among those agencies, the World Bank is the focus of this paper.

Properly considered, international development agencies are facilitators, not actors. They do their work indirectly, by providing cash and knowledge which help the governments and peoples of developing countries who are their partners to achieve their objectives. The relationship between the agencies and those governments and peoples is therefore crucial. As in any relationship, the interactions - in our jargon, the processes, macro- as well as micro - between the partners are the currency of the relationship.

Many of the conference participants will know that the relationship is ostensibly regulated by the terms of the Global Partnership for Effective Development Co-operation, the culmination at Busan in Korea in 2011 of a series of gatherings which began with the Paris Declaration on Aid Effectiveness in 2005 and progressed through the Accra Agenda for Action in 2008.[1] I therefore propose to approach the question of the nature and importance of micro-processes in international organizations via the debate surrounding the Paris Declaration and the 'development effectiveness' agenda, as it has applied to the World Bank, which is one of the Paris Declaration's signatories.

1.2 The Busan principles and ownership

Building on the Paris Declaration, Busan ratified four principles:

Box 1 Busan partnership principles

Ownership of development priorities by developing counties: Countries should define the development model that they want to implement.

A focus on results: Having a sustainable impact should be the driving force behind investments and efforts in development policy making

Partnerships for development: Development depends on the participation of all actors, and recognizes the diversity and complementarity of their functions.

Transparency and shared responsibility: Development co-operation must be transparent and accountable to all citizens.

Source: Global Partnership for Effective Development Co-operation (2012).

'Ownership' is not at the head of the list by accident. It has been described as the Paris Declaration's overarching principle. Its primacy has its roots in studies of donor project implementation going back to the 1980s. An early World Bank study claimed that degree of country commitment was 'almost universally recognized as one of the main factors explaining success ... (and) is one of the most commonly quoted causes of unsatisfactory project completion' (Heaver and Israel, 1986: 1). A later World Bank study found that 'ownership' explained overall programme outcomes in no fewer than 73% of 81 World Bank operations completed in the 1980s, with exogenous shocks explaining many of the remainder (Johnson and Wasty, 1993).

[1] https://en.wikipedia.org/wiki/Aid_effectiveness; http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/AAA-4-SEPTEMBER-FINAL-16h00.pdf.

This evidence propelled commitment into the mainstream policy discourse. The World Bank's president at the turn of the century, James Wolfensohn (1999: 9), declared that

> 'It is clear to all of us that ownership is essential. Countries must be in the driver's seat and set the course. They must determine goals and the phasing, timing and sequencing of programs.'

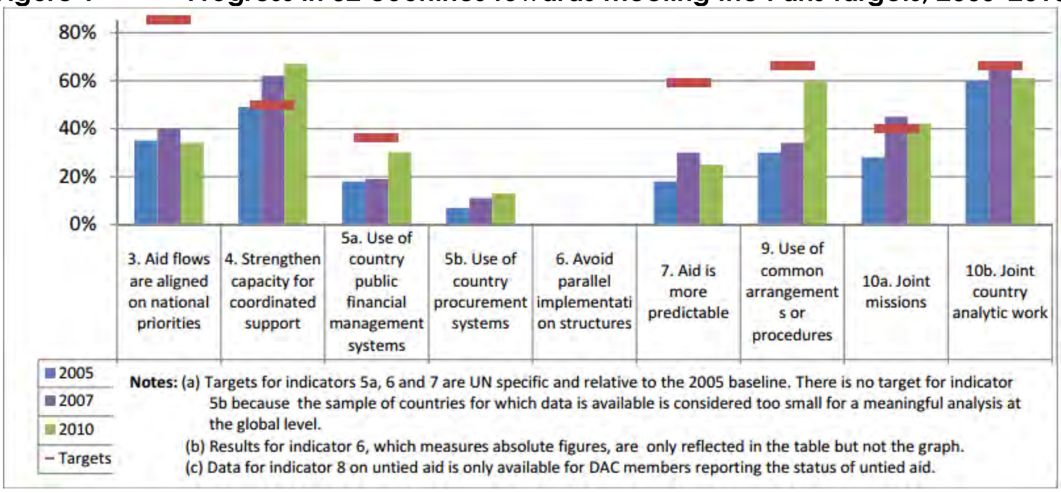
and the UK's Secretary of State for International Development at the same time insisted that

> 'We know that it's fruitless for ... any ... donor to impose reform programmes ... Governments will sign up to them because they want the money, but if there is no local commitment to the reforms they will never succeed. They will slip and fail and not be implemented.' (Short, quoted in One World Action, 1998; see also Camdessus, 1999; and World Bank, 1998)

1.3 Operationalizing ownership: the Paris and Busan targets

Given such explicit recognition of ownership's importance by policymakers, it is not surprising that the Busan conference participants were galvanized by a report that six years after the Paris Declaration, only three of the 12 targets[2] into which the Paris principles had been converted were being met. Figure 1 shows how far they were from the key target of aligning aid flows with national priorities: after Paris, no forward movement to speak of between 2005 and 2010.

Figure 1 Progress in 32 countries towards meeting the Paris targets, 2005-2010



Source: UNDG (2011).

This picture was consistent with an earlier evaluation of "highly uneven" progress after Paris (Wood, 2008: xi).

Despite the disappointing progress, Busan maintained the impressive international consensus created in Paris: there were no notable absences from the list of adherents among nations and international organizations.[3] As an implicit response to the indifferent performance after Paris, and realizing that the development effectiveness agenda would need an institutional form if it was to be more than a flash in the pan, the conference mandated the creation of the Global Partnership for Effective Development Co-operation with a UNDP-OECD joint support team.

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[2] UNDG, 2011: 39-40.

[3] http://www.oecd.org/dac/effectiveness/countriesterritoriesandorganizationsadheringtotheparisdeclarationandaaa.htm; http://www.oecd.org/development/effectiveness/busanadherents.htm.

Busan also reset the original Paris Declaration targets and translated them into indicators and targets as shown in Table 1 below.

Table 1 Busan targets

Busan commitment indicator	2015 target
1. Use of country results frameworks	All providers of development co-operation use country results frameworks
2. Enabling environment for civil society	Continued progress over time
3. Private sector engagement	Continued progress over time
4. Transparency	Implement the common open standard for electronic publication of information on aid resources
5. Predictability	(a) 90% of funding is disbursed as scheduled (b) Plans cover 92% of estimated funding for 2016, 85% for 2017 and 79% for 2018
6. Aid on budget	85% of aid is on budget
7. Mutual accountability	All developing countries have inclusive mutual assessment reviews in place
8. Gender equality	All developing countries have systems that track and make public resource allocations for gender equality and women's empowerment
9. Use of country systems	57% of funding uses country systems
10. Aid untying	Continued progress over time

Progress against the targets has been monitored subsequently. The most recent monitoring survey at the time of writing, in 2014, reported some progress. But with none of the targets fully met nine years after Paris, the authors were obliged to concede, indulgently, that "The glass is half full" (Global Partnership, 2014: 12).[4]

With the whole world behind the Busan targets, why is it proving so hard to achieve them? The remainder of this paper will try to answer that question in the context of the World Bank. Our argument will be that the Bank's effective priorities at country level are indeed the outcome of micro-processes taking place below the global level at which Paris and other conclaves of the great and good take place. Specifically, we wish to show that the complex interplay among those processes crowds out the developing country voice and negates the Paris Declaration.

2 Macro-processes: accountability

2.1 World Bank performance against Busan targets

We begin with a selective review of the World Bank's progress against the Busan targets. (We have omitted targets 2, 3, and 8 [respectively: enabling environment for civil society; private sector engagement; and gender equality] which are not relevant to our discussion.) Global Partnership (2014) is the most comprehensive attempt to date to monitor international progress. Unfortunately, it provides no data on the topic of greatest interest to us, namely national ownership of development priorities, where the target for 2015 was "All providers of development co-operation use country results frameworks." Also, there is at present no

[4] The 'half full' cliché, after all, is deployed to indicate that a given situation could be viewed either positively or negatively (when the glass is 'half empty'). For instance, UNDG (2011: 24) reports as 'some progress' a change - probably statistically insignificant - in the percentage of aid which was tied to purchase of donor country goods or services from 77% to 79%. (All World Bank aid is untied.)

agreed definition of, let alone target for, transparency, though the aspiration is clearly to maximize it.[5]

An assessment of the Bank's performance on the relevant targets is listed below to the extent that the data permits.

Table 2 World Bank progress on the Busan targets in comparative perspective

Busan 2015 target	World Bank	Inter-agency comparisons	United Kingdom
1. **Country results frameworks**: All providers using country frameworks	(Insufficient data; tendency for multilaterals to perform better than bilateral aid agencies)		
4. **Transparency**: Implement the "common open standard"		29/43/58%[6] *World Bank ranking*	
- Timeliness	50%	6th out of 36	100%
- Level of detail	70%	1st out of 36	68%
- Forward-looking (relating to future activities)	3%	28th out of 29	85%
5. **Predictability**:		*Agencies average:*	
(a) 90% of annual funding is disbursed as scheduled	94/87%[7]	83.8%	89/88%
(b) Plans cover 92% of estimated funding for 2016, 85% for 2017 and 79% for 2018	82%	70%	85%
6. **Aid on budget**: at least 85% of aid is on budget	82/77%	64%	64/65%
7. **Mutual accountability**: All developing countries have inclusive mutual assessment reviews in place	(Global Partnership assessment is of governments, not development agencies)		
9. **Country systems**: 57% of funding uses country systems	52/62%	49%	59/75%
10. **Aid untying**: Continued progress over time	100%	79%	100%

Source: Global Partnership (2014).

In most areas where comment is possible, the Bank performs well relative to other agencies. It publishes information more promptly and in greater detail than the average agency; its aid disbursement is more predictable, and it appears more often in governments' annual budgets. In both the latter respects, the Bank has improved between 2010 and 2013. On the other hand, it withholds information about its future activities; and between 2010 and 2013, its use of country systems (more specifically: government financial management systems) went backwards. More generally, if the Paris/Busan aspiration was for complete compliance, the Bank still falls some way short. Even with complete compliance, moreover, the Busan targets are an inadequate proxy for the things that would constitute real development country ownership.

2.2 World Bank governance

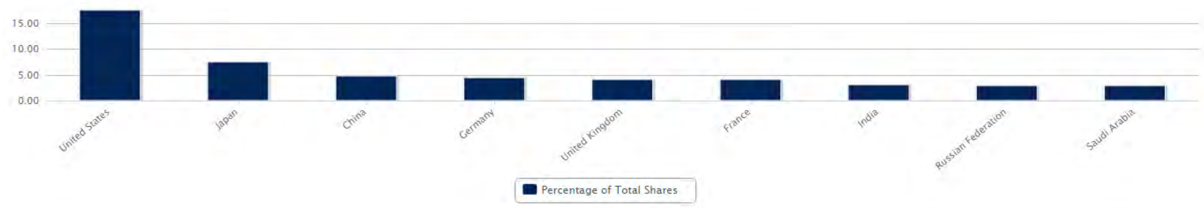
Assessing the significance of micro-processes in the World Bank requires us to put them first in the context of the macro-processes, which for the purposes of this paper we will identify with the Bank's overall governance arrangements.

[5] http://www.oecd.org/dac/aid-architecture/DCD-DAC-STAT-RD(2014)3-RD7-ENG.pdf.
[6] Average scores for all agencies on three sub-indicators. Scores for individual agencies are not given.
[7] In cells where two figures appear, the first figure is for 2013 and the second figure is for 2010.

The overall governance of the World Bank is problematic. Its presidency has always been effectively a patronage appointment by the President of the United States. The profile of its former President, Robert McNamara, on the Bank's own website records baldly that "His thinking on the (Vietnam) war (as US Secretary of State for Defense) gradually diverged from that of President Johnson, and Johnson abruptly nominated McNamara as the next World Bank president"[8] - to get him out of the way, of course. The appointment of the present incumbent, Dr Jim Kim (American as usual, albeit from a Korean family), was broadly welcomed, and it was made formally by the World Bank's Board. But the decisive announcement of his nomination on March 23 2012 was still made by US President Barack Obama in the White House garden, with Secretary of State Hillary Clinton standing next to him. Hillary Clinton was unusual in having a strong personal interest in development, having been credited during her term in office with installing "a new type of U.S. engagement abroad, one in which international development is a central pillar."[9]

United States relative dominance of Bank policy has declined over the years, from 35% of votes in 1947 through 25% in 1960 to just over 15% today. Developing countries' share of votes increased from 44.06 per cent to 47.19 per cent in 2010, and is expected to increase further in line with current levels of capital subscriptions. However, the US retains the strongest voting power on the Bank's Board of Executive Directors, where voting power reflects countries' financial contributions to the Bank (Figure 2).

Figure 2 Top nine countries' voting power in the World Bank Board



Source: https://finances.worldbank.org/Shareholder-Equity/Top-8-countries-voting-power/udm3-vzz9/data.

Those features of World Bank governance are unsatisfactory in the eyes of many observers, including even the Bank's own Staff Association, whose resentment of US control over appointment of the Bank's presidents is on record (Donnan, 2016). The New Development Bank (the BRICS Bank) was launched partly out of frustration at the slowness of voting reform in the World Bank's sister organization, the IMF, stalled by the unwillingness of the US Congress to ratify a new quota system for voting in the IMF's Board. The BRICS Bank gives the BRICS (Brazil, Russia, India, China and South Africa) who are its five members an equal say in decisions.

The differential voting power of the Bank's member countries is reflected in the composition of its Board of Executive Directors, to which Bank operations are formally accountable, including the approval of all Bank projects. The five biggest countries (US, Japan, China, Germany and the UK) each have their own director. The other 20 directors represent everyone else between them. For example, a single director represents Bangladesh, Bhutan, India and Sri Lanka.

However, the Board's meetings are the apex of a very strategy process which includes searching internal peer reviews; we will look at the process in more detail when we discuss Sri Lanka. While there is strong peer accountability, therefore, there is no direct accountability to the individual developing countries where the Bank does most of its work: "the countries

[8] http://www.worldbank.org/en/about/archives/history/past-presidents/robert-strange-mcnamara.
[9] https://www.devex.com/news/global-development-s-star-player-hangs-up-her-jersey-80233.

that wield the most voting power are not accountable to citizens who are affected by their decisions" (Ebrahim, 2009). To be sure, the Bank can only operate with governments' agreement: it cannot push a grant or a loan down an unwilling government's throat. There is also a mechanism which allows people affected by a World Bank operation to complain to the Bank's Inspection Panel, established in 1993 to investigate complaints independently.

But in the poorest countries (the so-called "IDA countries"[10]), the favourable loan terms, and the difficulty such countries face in attracting loans from commercial sources, ironically gives the Bank as lender, or distributor of grants, more power than a pure commercial lender would have. The simple recognition that in this area, the sovereign customer is not always right is the basis of the longstanding critique of World Bank lending practice.[11] Loans, grants and projects are the outcome of what Mosley *et al.* (1995: xiii) characterized as a "dynamic bargaining process" between the Bank and its client governments.

A dynamic bargaining process is of course the kind of process on which our conference aspires to shed light. A 2007 World Bank review of the way the Bank used loan conditionalities was broadly sanguine: for example, its respect for country ownership and its collaboration with other donors were found to have improved. A parallel "shadow" review by Action Aid (2007: 2), however, pointed to a limited and superficial approach towards country ownership, and reluctance to embrace full transparency. It contended that Bank staff lack incentives that would make them take country ownership seriously.

3 Micro-processes: the World Bank's organizational culture

3.1 The World Bank as a professional bureaucracy

We have already noted the international consensus on the Paris/Busan initiative. The Bank's nine major shareholders, shown in Figure 2, are all Busan adherents individually. What is more germane, arguably, is that the Busan priority has to jostle with other effective priorities, the priorities of the Bank's staff as well as of its management.

The World Bank has been described in one book-length study as

> "A technocracy, maintained … through the selective recruitment, training and socialization of staff members … Economists, financial experts and those with other specialized skills are most highly prized within the Bank's organizational culture and maintain its technocratic bent." (Miller-Adams, 2002: 6)

The Bank, in fact, is a classic professional bureaucracy whose professional staff enjoy relative autonomy because they offer non-routine services to the organization's clients which require the exercise of professional discretion. Even though such organizations tend to be loosely structured, they do not fly apart because they are held together by standardization of skills; and also because they have considerable cultural unity.[12] Professional discretion means a degree of autonomy for the staff. In line with Mintzberg's (1980) influential characterization of professional bureaucracies, the locus of power is in the "operating core" rather than the "strategic apex". In plain language, the professional autonomy which the Bank's technocrats *necessarily* enjoy - the Bank would grind to a halt if detailed programming decisions had to be taken by top management - means that they have a good deal more power relative to top management and the World Bank Board than one might expect.

[10] http://ida.worldbank.org/about/what-ida.
[11] See also http://www.brettonwoodsproject.org/2005/08/art-320869/.
[12] I am alluding here to Peters and Waterman's (1982) influential book, which is an argument for the importance of organizational culture to the success of organizations.

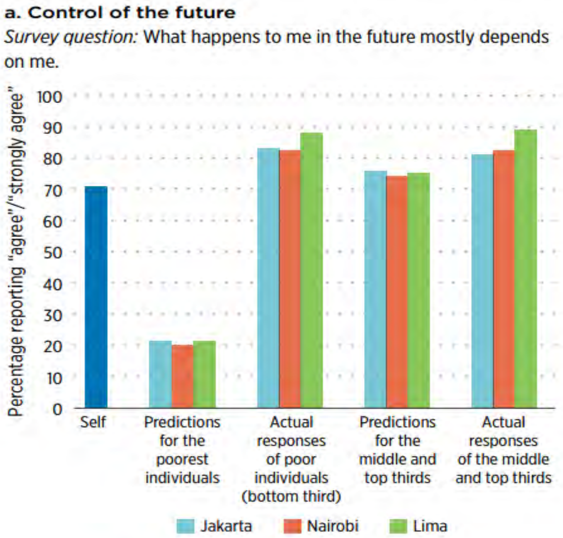
Readers who are familiar with the unstoppable rise of the apparatus of performance management - outcome indicators etc. - in the public sector, which have increased the power of public agency managers relative to their staff so greatly in the last couple of decades (McCourt, 2012), may be surprised by this account. However, the World Bank does perhaps still conform to the old stereotype of public officialdom as the 'permanent government' whose strongest bias is not ideological, but a bias towards continuity (Hennessy, 1989).

3.2 Staff homogeneity

The tendency of the Bank's staff to mobilize its immune system to reject alien transplants is well documented. Joseph Stiglitz, the Bank's iconoclastic and Nobel Prize-winning chief economist from 1997 to 2000, received bottom marks in the Bank's staff attitude survey of 1999 on the way to being forced to resign (US influence was instrumental: see Wade, 2002). When he was criticized by his Chief Economist counterpart at the Bank's sister organization, the IMF, the criticism was in *ex cathedra* vein and given the imprimatur of appearing on the IMF's website: "There are many ideas and lessons in your book with which *we at the Fund* (author's italics) would generally agree, though most of it is old hat" and so on (Rogoff, 2002). Ravi Kanbur's position as lead author of the Bank's *World Development Report* in 2000 became untenable when he antagonized powerful Bank economists in addition, once again, to the US (Wade, 2002; Dollar and Kraay, 2000). The Bank's auditor-general, Carman Lapointe, was dismissed in 2009, allegedly for the crime of excessive candour ("'Carman's reports were – how can I put it – a bit candid,' laughed a Bank vice-president who supported her" (Behar, 2012). She claimed that the Bank's President at the time said that he had been badly briefed by his senior officials. A senior Bank economist, William Easterly, "had to hastily exit" the Bank after publication of his 2001 dissenting treatise, *The elusive quest for growth*.

The tendency to homogeneity (or isomorphism) in the World Bank is depicted in an ingenious experiment conducted for one of the Bank's own World Development Reports (World Bank, 2015). World Bank staff in Jakarta, Nairobi and Lima were asked to predict the views of poor people on a number of topics: see Figure 3 below.

Figure 3 World Bank staff predictions about the views of poor people on how much control they have over their lives



Source: World Bank (2015, Chapter 10).

Despite the three very disparate locations, staff responses were remarkably homogeneous, but greatly at variance with poor people's own views (the views of the 'bottom third' in Figure

3). It was, perhaps, no accident that the hegemonic development paradigm of the 80s and 90s became known as the Washington consensus (sic).[13]

3.3 The staff and the Presidents

Moreover, the Bank's immune system is no respecter of persons, as can be seen in its treatment of Bank presidents who alienate the staff. In April this year, *Foreign Policy* magazine in the United States published a long and (in the author's opinion) even-handed article on the World Bank, centring on the difficulties faced by its current President, Jim Kim (Rice, 2016); the article was given further currency by a reprint in August by the UK *Guardian* newspaper. At roughly the same time, the *Financial Times* was reporting that the Bank's Staff Association was opposing Dr Kim's reappointment for a second five-year term (Donnan, 2016).

The *Foreign Policy* article was only the latest and by no means the most critical in a stream of articles, larded with unattributable quotes from voluble Bank officers, over the four years since Dr Kim's appointment, in outlets such as *Forbes* magazine, the *Economist* and the *Financial Times*, retailing the staff's unhappiness with the direction in which he was taking the Bank. The article quoted a recently retired Bank Vice-President, who observed that "The Bank staff have never fully accepted the governance" (i.e. the Bank's senior management).

When Bank staff were asked not long after Dr Kim's appointment for their ideas on how the Bank could reduce its costs, far and away the most popular suggestion, astonishingly, was that the Bank should abolish its spring and autumn meetings, the rough equivalent of private companies' annual general meetings. Indeed, there is a belief among some of its staff that Presidents, who are appointed for five-year renewable terms whereas core staff are career appointees in the main, should be accountable to the staff, not vice-versa. "Jim Kim has failed to make himself accountable to us," was a staff criticism quoted in one press report.

Dr Kim's difficulties were exacerbated by a radical organization restructuring which he pushed through in 2013 and which continues to reverberate. As long ago as 2002, Miller-Adams (2002) observed that "Bank reorganizations have resulted in a high degree of turmoil and often a loss of staff morale." Nor did it help that he was the first President to come from a non-finance background, and that his two biggest policy initiatives have been on non-financial topics, leading a senior official whom the *Economist* (2014) styled as "one of (Kim's) closest lieutenants" to grumble, rather callously, that "Last year, he was Mr Climate Change, now he is Mr Ebola."

But Dr Kim is not the first President to face hostility from the Bank's staff. His predecessor but one, Paul Wolfowitz, was actually forced to resign. His appointment had always been controversial, given his close association with US President George W. Bush and his personal role in the invasion of Iraq, and his resignation was triggered by controversy surrounding the appointment of his girlfriend to a Bank post, and by policy disputes over Bank support for family planning, among other things. But staff opposition played a part. At the height of the leadership crisis, 37 Bank country directors wrote in an open (i.e. public) letter that the crisis had damaged the Bank; the overwhelming sentiment from a staff poll conducted by the Bank's vice-presidents was that Wolfowitz should step down; and some employees were even wearing blue ribbons in a display of defiance against his leadership (New York Times, 2007).

[13] Consciously or not, Bank staff may be aware that, in line with Moscovici's studies of minority influence, homogeneity, or consistency, of views gives the Bank greater authority (Moscovici and Zavalloni, 1969). A qualification of this portrayal of the Bank's tendency to intellectual homogeneity was given by a Bank insider, who suggested to the author that Bank staff are free to say anything they like; it is only when they try to convert deviant thoughts into actions that problems may arise!

3.4 The President fights back

What countervailing power can a President deploy when he faces hostility from his entrenched staff? Kim's obvious first step was to get the Board which made his appointment behind him, especially its US member, and even more the US President whose nomination was decisive. He has been spotted playing golf[14] with President Obama, whose nomination of Dr Kim was decisive, as we saw. In recognition of the increasingly multipolar world order, he has also engaged in "a studious courting of leaders in powerful emerging economies such as China and India" (Donnan, 2016). He has participated in global cross-agency initiatives, especially with the UN's (Korean) Secretary-General, Ban Ki Moon.

In this way, Dr Kim has, so to speak, covered his global base. But he has also tried to make his writ run in the Bank's operations on the ground. At this level, his weapon has been an adaptation of the globalized performance management technique. He has pushed through two new global goals for the Bank, ending absolute poverty and shared prosperity (the latter being code for action on inequality), and translated them into a new framework for the Bank's country operations: a 'country partnership framework' (CPF) based on a 'systematic country diagnostic' (SCD), with a UK/Malaysia-style 'delivery unit' in headquarters to advance his priorities.[15]

Of course, the gap between the President's global policy words and the Bank's country-level actions remains merely a theoretical one for as long as Board, management and staff agree, which naturally they do much or most of the time, since they all believe in development and good housekeeping in some shape or form. However, the strength of the Bank's staff in relation to its senior management and its Board, and the countervailing power of its President, mean that there is all to play for when the Bank sets its priorities at country level. Let us now descend from the global to the local to see how this theoretical concern plays out in practical programming decisions, and how it affects the Bank's implementation of the Paris Declaration and the Busan principles.

4 Espoused theory and theory-in-use in the World Bank's country operations

4.1 Bank analytic work as a key to understanding

In 2007 the World Bank reported on the application of conditionalities in its lending practice, including the extent to which the conditionalities are "owned" by the Bank's government clients. While its verdict was broadly positive (a verdict which, as we saw, was disputed by Action Aid, 2007), it still notes that

> "A strong message from the consultations, repeated consistently across countries and stakeholders, is that involving local counterparts more in planning and executing analytic work, and in building and reinforcing local capacity for policy formulation and analysis should be an essential element of the Bank's support." (World Bank, 2007: 36)

We hope in this discussion of the Bank's priorities at country level to explain why the Bank's stakeholders should feel so strongly about this seemingly obscure matter, and to show why it is a key to understanding how national ownership of development priorities unfolds through micro-processes in the Bank's country operations. We have selected Sri Lanka as a mini-case study, because the Bank has completed both an SCD and a CPF there which are publicly

[14] Off a 5 handicap.

[15]http://www.worldbank.org/en/projects-operations/country-strategies; http://pdu.worldbank.org/sites/pdu3/en/Pages/PDUIIIHome.aspx.

available, and also because the Bank has a longstanding and quite stable involvement in Sri Lanka.

4.2 The Country Partnership Framework and the Systematic Country Diagnostic in Sri Lanka

When the Bank in Sri Lanka took soundings on the outcome of its Country Assistance Strategy for 2009-12, it recorded that

> "Respondents perceive the World Bank to be extremely rigorous in its processes – a quality that some see as beneficial, while others felt it overly cumbersome." (World Bank, 2012: 13).

Mindful perhaps of the English poet William Blake's maxim that "If the fool would persist in his folly he would become wise", the Bank took this as a signal to increase the cumbersomeness of its processes. The SCD which was the basis for its *Country Partnership Framework 2017-20* was a very elaborate analytical exercise, with many Bank fingers in the pie. The acknowledgements note that

> " The (SCD) team was co-led by Charles Undeland (Sr. Governance Specialist) and Gabriela Inchauste (Sr. Poverty Economist). The team received guidance from: Francoise Clottes (World Bank Country Director), Adam Sack (IFC Country Manager), Rafael Dominguez (IFC Principal Strategy Officer), Ulrich Schmitt (Program Leader), Emanuel Salinas Munoz (Program Leader), and Ralph van Doorn (Sr. Economist). The team received substantial inputs from Anushka Wijesinha, Nisha Arunatilake, Priyanka Jayawardena, Aruni Rajkrier, Siripala Wirithamulla, and Charmaine Tillekaratne."

It was only after the team produced its first draft, when the SCD had already built up momentum, that it consulted stakeholders - inside as well as outside the Bank:

> "The team carried out several rounds of consultations among focal points representing global practices, cross-cutting solutions areas, and IFC operations [these are all within the World Bank Group itself] regarding the draft of the analysis and solicited input on priorities, based on the above criteria. External consultations on the analysis in the text and to identify priorities were held with a broad range of stakeholders *in government ministries and departments*, think tanks, other civil society groups, representatives of the private sector, and development partners." (Author's italics.)

Notice that the government was merely one of the stakeholders consulted. The consultation is likely to have been structured in the same way as the SCD consultation meetings held at roughly the same time in Côte d'Ivoire and Myanmar. Myanmar stakeholders were told in a PowerPoint presentation that

> "WBG (World Bank Group) is conducting a systematic country diagnostic. The SCD seeks to identify priorities for achieving the twin poverty goals: ending absolute poverty (and) promoting shared prosperity."

Notice, again, that the purpose of the consultation was not to get stakeholders' views on what the Bank's priorities should be in Sri Lanka. The priorities were taken as given: the twin goals which had been legitimized in terms of Bank procedure by the consent of Sri Lanka's executive director on the World Bank Board (who divides his responsibility, as we saw, between Bangladesh, Bhutan and India, as well as Sri Lanka).

While we learn that

"the consultations both helped to validate the analysis in the SCD and to help assess the relative importance of the diagnosed constraints and drivers,"

we are given no instance of any specific change being made in response to stakeholders' views. (The same goes for the Myanmar SCD.)

Having completed the SCD, the Bank proceeded to draw up its CPF. The CPF notes that selectivity of Bank interventions would be driven by three main considerations: alignment with government development priorities, alignment with SCD priorities and the Bank's comparative advantage. The extent to which the CPF's proposed actions are aligned with the government's priorities as those are listed in the CPF itself is shown in Table 3 below.

Table 3 Sri Lanka government priorities and the World Bank Country Partnership Framework

Development goals and key policy priorities	World Bank proposed actions in CPF
Generating one million jobs	International Finance Corporation[16] to prioritize jobs; Remove obstacles to private sector development
Enhancing income levels	(none)
Developing rural economies	Community-based interventions in lagging regions
Ensuring land ownership by the rural and estate sectors, the middle class and government employees	(none)
Creating a broad and a strong middle class	(none)
Raising revenue	Deepen the dialogue on improving revenue collection
Reducing the fiscal deficit to 3.5 percent of GDP	(none)

It is perhaps only 'developing rural economies' which the CPF tackles head-on, this being an area where the Bank's view happens to coincide with the government's. There is no instance of the Bank coming round to the government's way of thinking in any area of difference.

On the other hand, there are many proposed actions in the CPF which are not direct government priorities. To take one example, the CPF proposes a number of public financial management activities including an elaborate Public Expenditure Review which do not appear to be government priorities, and for which even the SCP provides only a tenuous justification. In the CPF, and in the words of the title of this paper, the government's priorities have been *lost in translation*.

If some of the CPF priorities are not the government's priorities, is that because they relate to the Bank's and its President's twin goals of ending poverty and creating shared prosperity? If they are, then we would expect them to be different from the Bank's priorities before the twin goals appeared. Of course a commitment to ending poverty is not new for the Bank. The slogan, 'Our dream is a world free of poverty' is carved in stone at the entrance to its Washington DC headquarters. But as we compare the Bank's new priorities and the priorities which they replaced in Table 4 below, we should bear in mind that 'distinctiveness' is of the essence of organizational strategy. That is, a new strategy 'adds value' - it dodges the law of diminishing returns - by being different from the previous strategy (Johnson and Scholes, 2002).

Table 4 Old wine in new bottles?

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Sri Lanka CPF pillars and objectives	Matching item in Country Partnership Strategy 12-16?
Pillar 1 Improving macro-fiscal stability and competitiveness	
1.1 Improving public finance management (including public expenditure review)	Increasing fiscal space and the efficiency of public spending (including public expenditure review)
1.2 Improving the enabling environment for private investment and trade	Improving the investment climate
1.3 Scaling up infrastructure through public–private partnerships (PPPs)	(PPPs included under increasing fiscal space)
1.4 Enhancing financial inclusion and financial sector efficiency	(financial inclusion included in 'social inclusion')
Pillar 2 Promoting inclusion and opportunities for all	
2.1 Strengthening education and training systems	Higher education and training for labour market needs
2.2 Improving health and social protection systems to address the challenges of the demographic transition	'Increasing quality of services' leads on health services
2.3 Improving living standards in the lagging areas	'Expanding social inclusion and equitable access' includes conflict-affected areas and vulnerable groups
Pillar 3 Seizing green growth opportunities, improving environmental management, and enhancing adaptation and mitigation potential	
3.1 Greening urban development	CPS includes 'mainstreaming climate Change Mitigation in Urban Development'
3.2 Strengthening climate resilience and disaster risk management	-
3.3 Enhancing mitigation and adaptation potential	-

Pillar 3 is mostly new, a greatly enhanced response to the global climate change threat. To that extent, it is very strategic for the Bank, since Jim Kim has made climate change a central plank of the Bank's overall strategy.[17] The other two pillars, however, continue work that was already ongoing before the SCD and SCF. They do not represent a new departure based on either the Bank's twin goals or the Sri Lankan government's current priorities.

To that extent, the Bank's CPF priorities exhibit the 'continuity bias' to which public bureaucrats are notoriously subject. Moreover, while giving primacy to economic issues (Pillar 1) reflects the Bank's comparative advantage among the international development agencies, it also reflects the professional orientation of its economic and financial

[17] See http://www.worldbank.org/en/news/feature/2016/04/07/world-bank-group-sets-new-course-to-help-countries-meet-urgent-climate-challenges. The Bank has ramped up its commitment following the UN Climate Change Conference in Paris in December last year.

technocracy as characterized by Miller-Adams. And one does not need to be a devotee of public choice theory to suggest that it also reflects the technocrats' personal interests. At a time of staff retrenchment in the World Bank, a criterion for whether staff will keep their jobs is whether they have a viable work programme. They have an incentive to ensure that the CPF gives them work to do.

5 Discussion: World Bank processes and country ownership

5.1 How typical is Sri Lanka?

We have outlined the Bank's process for generating its programme priorities in just one of the countries where it operates, Sri Lanka. Is it representative? We cannot answer that question conclusively within the scope of this paper. That would require looking in the same detail at a number of countries, ideally at least one for each of the Bank's six global regions. However, the SCP and CPF are mandated for every country where the Bank operates, and a brief glance at the SCPs and CPFs for Côte d'Ivoire and Myanmar (respectively in the Bank's Africa and East Asia Pacific regions) suggests that they have been drawn up in a uniform way. We also note the Global Partnership (2014: 39) finding that while there is considerable variation across aid agencies in the processes they follow, they tend to operate consistently across all their countries of operation. So perhaps we can make some tentative remarks based on what we have seen in Sri Lanka.

Let us recall the first Busan principle:

> "Ownership of development priorities by developing counties: Countries should define the development model that they want to implement."

It is clear that the World Bank's CDF in Sri Lanka does not represent Sri Lanka's development model. It is true that both the SCD and the CDF refer to the government's priorities, but only as refracted through three distorting lenses. The first lens is the priorities of the World Bank Board, and especially its American dominant Board member, who nominated Jim Kim to be the agent of the US Administration's development beliefs as they were at the time of his appointment. The second lens is the priorities of Jim Kim himself as he interpreted his mandate after taking up his post, particularly his twin goals of ending poverty and sharing global prosperity, with the SCD and CPF as a conveyor belt from the Bank's President to its country operations. The third lens is the preoccupations and interests of the economists and other Bank officials who contributed to the CPF.

The most that can be said about the CDF product which, as it were, dropped off the end of the development conveyor belt in Sri Lanka is that it overlaps with and does not blatantly contradict Sri Lanka's development priorities. Many of the CPF priorities come from the SCD rather than the government; in some cases (e.g. the proposal for a Public Expenditure Review), they are inserted directly into the CPF with no mandate from the SCD.

We can now understand why, as we saw earlier, " involving local counterparts more in planning and executing analytic work, and in building and reinforcing local capacity for policy formulation and analysis" was such a strong message from the Bank's consultations on its lending practice. The stakeholders consulted knew tacitly, no doubt through their personal interactions with the Bank, what we have had to establish so laboriously in this paper, namely that the Bank's country priorities are shaped by a professional analytical process inside the Bank, so that stakeholders must be involved upstream in the process if they want to avoid being presented with a CPF which is a virtual *fait accompli*, one which has gone through several internal iterations before seeing the light of day when it goes out for consultation.

The Sri Lanka SCD and CPF are formidable analytical statements, reflecting the concentrated expertise of the Bank's very capable staff. The Sri Lankan government's priorities are flimsy in comparison; and possibly ephemeral too, given that the government at the time was an unstable coalition. This is an eventuality that the Paris Declaration does not cater for. Yet an unstable government is no more likely to own outsiders' priorities than a stable one.

We wind up agreeing with the conclusion of Action Aid's (2007) shadow review of Bank conditionalities. The refraction effect of the three 'lenses' outlined above is that the CPF settles on a point that is some distance away from the government's priorities; so far away, indeed, that it is appropriate to state that, having kept the government at arm's length during the SCD/CPF process (government officials being merely one of the stakeholder groups consulted by the Bank), the Bank is paying only lip service to the government's priorities.

5.2 What would real government ownership look like?

In view of our analysis, we can suggest how in an ideal world the three distorting lenses might be reshaped. At the level of the Bank's Board, the Bank could move from a corporate to a democratic governance model, one where, as in the UN General Assembly, each country has a vote, rather than votes being in proportion to financial contributions. It would follow that the Bank's President would no longer be a US appointee. In that scenario, the priorities of Sri Lanka and other developing countries would carry greater weight.

At the level of the Bank's technocrats, the Bank should mandate that strategic documents like the SCD and the CPF should be drawn up jointly by the Bank and its national counterparts working in partnership. The Bank's staff should be given an incentive to work in that way, and in so doing to take ownership seriously. It is a regrettable fact that in Sri Lanka, neither the SCD nor the CPF refers at all to the Paris Declaration or the Busan principles, and there is no discussion of country ownership either. It is from economists like the Bank's that non-economists like the author of this paper have learnt about the importance of incentives in governing behaviour. If Bank staff had an incentive to take country ownership as seriously as they take the Bank's twin goals and the preoccupations of their mainly financial professional peers and managers, we can be sure that they would respond.

While it is quite easy to suggest how the Bank might promote real country ownership, it is hard, for this author at least, to envisage the circumstances in which that would materialize.

6 Conclusion: micro- and macro-processes in international organizations

We have touched on at least two of the conference sub-themes in our paper. While the Bank espouses contextualization, the head of steam behind its twin strategic goals and the influence of the Bank's globally transferrable professional staff are homogenizing forces. Clearly, the discipline of economics has a huge influence, giving economic and financial issues the leading role in the Bank's Sri Lanka programme. We have also discussed in passing the extent to which local actors are recipients or active participants in the Bank's programming.

However, more than anything else it is the micro-processes which are the overall conference theme on which this paper has tried to shed light. We have seen that while the Bank engages in the rituals of consultation with its developing country partners, the decisive micro-process is the Bank's own internal process of professional analysis which generates its programming priorities, and which acquires an unstoppable momentum by the time that stakeholders are asked to comment. However, while the professional staff have substantial autonomy, perversely reflected from time to time in hostility to Bank Presidents who incur their displeasure, they are constrained by the Bank's Board and by the President, who has powerful levers at his disposal. The character of the Board and the orientation of the President, meanwhile, reflect macro- and indeed global political processes in which the US plays a dominant albeit declining part. All of this, we submit, explains why the Bank's sincere commitment to the Paris Declaration and the Busan principles is overwhelmed by the powerful forces which drive the Bank's strategic apex and operating core.

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