though the third party—that is, the British- have left the scene, we have not really been able to establish a secular atmosphere. And here again, one of the weaknesses is that we have not had the development of universal primary education. If we have an educated electorate in a democratic polity, and we have a government which establishes a common civil law, then I think the forces of secularism would be strengthened.

We have had some laws passed, we have had the idea of secularism put into the Constitution, but we have not really created the atmosphere for the development of secularism. That is why we have had communal rioting in various parts of India. There are economic, sociological and historical reasons for it, and we have not taken sufficient counter-measures.

Now this of course, this last horror—the destruction of the mosque—is obviously going to have a profound impact on Muslim attitudes and thinking. I think they will feel that however they may behave, they have not and will not be accepted as equal citizens. And that I would say is a dreadful thought.

THE WORLD BANK AND THE NEW POLITICS OF AID

[Part Two]

Peter Gibbon

The World Bank and Poverty Since 1985[2]

The issue of poverty in LDCs—which more or less disappeared from donor agendas in the early 1980s—was received in 1983-5 by the like-minded countries and by UN agencies with poverty-related mandates [UNICEF,ILO etc,] in the form of criticism of the impact of stablization and adjustment 'policy reforms' on socially vulnerable groups [see *Svendsen, 1987; Meinecke, 1989*]. This issue was potentially an extremely damaging one for the unity and coherence of the still fragile regime and for the World Bank in particular as the principal architect of its economic policies. Arguably, a hard-hitting critique of the effects of adjustment, coupled with a serious exposition of an alternative redistributivist development model could have rallied broad international support and have led to at least a thorough review of the principles of economic liberalization. If nothing else, this would have had the effect of obliging adjustment and its authors to concede greater transparency and accountability on their own part.

For reasons which are unclear, this approach was not adapted. Instead, the line of argument opened up by the poverty critics within the UN system was that adjustment in principle was desirable, or at any rate irreversible, but that its effects on the vulnerable required mitigation. The latter should be via a reduction in levels of demand compression and domestic disabsorbtion and the introduction of a series of measures to raise the incomes of the poor and/or safeguard the provision of services to them. These were in terms conceptualized in terms 'targeted' transfers, subsidies and supports [*Gonia, Jully and Stewart: 1987.*] The content of this 'alternative' was almost directly borrowed from the World Bank's own treatment of poverty issues immediate before its conversion to an entirely 'hardnosed' neo-liberal agenda in 1981 [cf. *World Bank:1980*].

The World Bank began responding to the line of critique around 1986, initially through setting up and partly funding an adjustment-mitigation exercise in Ghana - the Programme of Action to Mitigate the Social Costs of Adjustment or PAMSCAD. The latter consisted of a set of projects put up by the Ghana government, with supposed poverty mitigation implications, and with a total of USD 86 m. In fact many of the projects, including some quite expensive ones, had no relation to assisting what are normally considered poor groups and were instead focused on providing compensation for retrenched civil servants or support of various kinds to the national secondary school system [cf. list of projects in *Jully 1988.*] The choice of Ghana is of interest, as it had been certainly the most cooperative adjusting country in Anglophone Africa since 1983. As such, it should have maximized trickle-down benefits and hence have been in least need of poverty mitigation. Its choice was presumably therefore as a reward to the Rawlings government for good behaviour. Also of interest was the decision to tackle poverty via the project form — an approach which was intrinsically piecemeal and arbitrary.

The World Bank deflected criticism along the latter lines by slowly initiating plans for 'conceptual work' to study how adjustment packages could be redesigned to mitigate their effects on the poor and for an international data gathering exercise to gather data on vulnerable groups and assess the impact of adjustment on them. Along with some promised further programmes of mitigative projects, these were to jointly comprise its still-continuing 'Social Dimensions of Adjustment in Africa' [SDA] initiative, launched in 1987 and planned to run for four years.

This initiative cannot be considered a serious one, on three counts. Firstly, it has proceeded at a snail's pace. For example, by 1991, only 5 national poverty surveys had been completed and there were only 9 national 'Social Action programmes' of mitigative projects [besides *PAMSCAD*.] Secondly, the programme has so far relied almost entirely on raising additional funding from the 'soft' donors themselves and the World Bank's commitment of resources to it has been relatively small and in a generously-casted 'in kind' form. Thirdly, each of the three components of the initiative have serious internal flaws.

The costly [USD 0.6 m] 'conceptual exercise' on redesign of adjustment packages confined itself to listing a narrow range of changes in public finance strategy, credit policy, exchange rate policy and trade liberalization procedures which could be introduced 'without distorting economic (ie. free market, P.G.) mechanisms' (*World Bank 1990:87*). These related almost entirely to sequencing matters. It also discussed, in an extremely general way, some issues of 'targeting' government subsidies and services on the poor.

What seem to have been completely absent are new country adjustment packages which in any way reflect poverty concerns, if only through the changes in sequencing or the targeting of subsidies and services suggested in World Bank documentation in some cases since 1980.

Meanwhile, the central poverty issues were characterized by inaction, even in the tendentiously narrow form they had been defined by the World Bank itself. As indicated, the World Bank had managed to get those who had originally raised the issue to pay for this whole charade.

By 1990-91 the patrons of SDA were becoming restive and vented a series of criticism of it at meetings with the programme organizers [*World Bank: 1991.*] The World Bank's responses were defensive and evasive; LDC governments were blamed, for example, for the bias of mitigatory projects toward the non-poor (ibid). The likelihood of these criticisms going further were slight however. In fact, at the same time as they were being made, the World Bank was announcing a second phase of SDA. The like-minded countries, having demanded that something be done, and having accepted the parameters of the UNICEF criticism in the first place, had probably too much invested to reopen the debate in a public way; meanwhile indigenous NGOs were being tempted into silence by the offer of managing the mitigating projects themselves.

World Bank and The Environment Since 1985

Environmental issues with aid regime implications began to be raised by northern social movements, international NGOs, a few indigenous southern NGOs, a (very) few southern governments and a number of 'softer' northern ones from around 1983 [cf. *The Bruntland Report (World Commission on Environment and Development: 1983)*.] The issues concerned were further-reaching than those raised in relation to poverty, and were raised in forms which shared few if any of the main assumptions of the regime's central players.

By the second half of the 1980s the principal features of a popular 'northern,' environmental agenda had emerged. The northern agenda revolved around controls on the non-cleaned burning of fossil fuels, reductions in pre consumption of other environmentally depleting or harmful substances (e.g. packaging), substantial investment in public transport and stronger international environment rule enforcement, for example with regard to exploitation of tropical rainforests. The southern one mainly concerned issues of desertification, soil erosion and extending the availability of clean water supplies and also asserted that the costs of any raising of international environmental standards should be entirely born by the north. More controversially,it called for the international recognition of southern government royalty rights on the exploitation of resources from both the south itself and from global commons. Relations between the northern and southern agendas were congruent in some respects and not in others. Northern environmental lobbies emphasized southern problems with respect to debt and terms of trade in perpetuating the poverty which was partially responsible for ecological degradation in the south and supported calls for an international transfer of resources to remove southern poverty. On the other hand, they also called for trade bans and import levies and duties on resource depleting imports and imports of products produced or harvested in environmentally unfriendly ways. Demands such as these or related proposals for an environmental code to be added to the →

General Agreement on Tariffs and Trade (GATT) clearly cut across the interest of primary product exporters. Northern environmental movement opposition to particular large-scale infrastructural or forestry-related projects with severe ecological consequences also proved a source of anger both with donor agencies and southern governments.

Both agendas influenced the few international environmental agreements which were reached in the 1980s. The Law of the Sea Treaty (1982) included provision for a transfer of UN expertise and financial assistance to help protect coastal areas in LDCs and for a sharing of revenues from the mining of international seabeds. The Montreal protocols of 1987 and 1989 Chloroflouro carbons (CFCs) was accompanied by the launching of a fund of USD 240 to help developing countries produce or purchase substitutes.[3] In 1989 the EC countries inaugurated a community-wide tax on carbons and a number of member states meeting at the Hague signed a declaration calling for a new UN environmental agency empowered to take binding decisions on a simple majority basis.

The US government, while enacting certain domestic environmental reforms, proved extremely hostile to two of these three agreements or declarations. It refused to sign the Law of the Sea treaty, refusing even to try to negotiate changes in it, and was not invited to the Hague meeting as its position was known in advance. Later, at the 'Earth Summit' at Rio in 1992, it refused to sign the Biodiversity Treaty, which incorporated claims for legal recognition of southern government rights to indigenous knowledge of local plant and animal varieties and enshrined the principal that these could be exchanged for bio-technologies. Finally, it (and most of the rest of the donor community) vetoed the creation of a 'Green Fund' worth USD 125 bn per annum and controlled by the UN to step up the transfer to the south of capital and technology and provide northern compensation for intensified controls on southern extraction. The idea of such a Fund had been put forward by a meeting of the so-called Group of 77 (LCD) countries in Beijing in June 1991.

Defences of central planks of the new aid regime were implicit in most of the US's objections to the treaties proposed at Rio. These were said to threaten incentives to free enterprise by challenging patent protection laws and the integrity of GATT and free trade generally, besides involving demands for major new aid commitments and a reassertion of economic regulation.[4] However, the mode of defence adopted by the US government has proved extremely difficult to sustain diplomatically. It threatens inter-donor consensus by refusing to acknowledge that some donors have enthusiastically championed green causes, while also potentially undermining constituency-building exercise in the south through its naked defence of northern self-interests.

The yawning chasm between the US government approaches and those of the G77 on the one hand and other northern governments on the other has ironically created important opportunities for the World Bank. These opportunities have been to develop a series of stances on the environment of a more ecologically-friendly character than the US government, while still preserving the aid regime's basic integrity; and secondly, to further advance its own position within the aid regime by securing control of new environment-related aid funding. In the process a further opportunity has been created, namely to strengthen the aid regime itself by feeding environmental aid into the general system of policy-based cross conditionality.

The World Bank's environmental policy-related activity has proceeded on three complementary fronts. These in some ways mirror its activity on the poverty front. The first of these has been to establish an 'environmental conscious' profile. This dates from 1987 when 'sustainable development' was formally adopted as an organizational priority and an environmental department established, along with environmental units in each regional bureau. The most important practical step taken as a result of this was the belated introduction in 1989 of environmental impact assessments for all new projects. Although revised in 1991 so that assessments must precede project loan approvals and address global as well as local environmental issues, these are essentially mechanisms for ensuring that mitigatory plans are in place for populations and the ecology in target areas rather than means of completely screening out environmentally dangerous projects.

A second front has been the elaboration of a specific discourse on environmental questions, which received its public baptism in two major reports of 1992, *World Development Report 1992 and Trade and the Environment.* The basic message of this discourse is that the central issues raised by the different environmental lobbies all have a certain degree of validity (although not to the extent claimed by the green movement), but can be most effectively addressed by less and not more economic and environmental regulation. This argument rests on the twin assumptions that environmentally-clean industry is necessarily more efficient and therefore profitable than environmentally-dirty industry, and that efficiency is best promoted by open markets and deregulation. By contrast, environmental degradation is said to stem principally from protected markets, state industries and absent or unclear property rights. In the same way that poverty was viewed in the early 1980s, environmental

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degradation is therefore a by-product of underdevelopment (and/or socialism, which amounts to the same thing) and will go away with growth.

Within this discourse, special cases of various kinds are also acknowledged. One of these is pollution of commons which cannot be subject to individual ownership and which therefore nobody has an interest in defending. Another is the absence of pollution-free technologies in those LDCs where there are environmental resources (e.g. rainforests) whose preservation there is a global interest for. The first of these are said to require a system of incentives (not controls) to regulate, although no examples of the successful application of such incentives is provided. The second is said to require access to less polluting technologies and some sharing of costs. Where these technologies already exist they should be via "access to commercial financial markets -coupled with expanded foreign investments" [1992:24]. Where there is scope for new ones this could also be through aid-based 'pilot programmes and innovative approaches'.

World Bank 'Governance' and Political Conditionality

'Governance,' referring to forms of political management, and political conditionality, referring to types of political representation, arose as issues for the aid regime at the end of the 1980s, from slightly different but overlapping sources.

The issue of 'governance,' at the time defined in ways which included some aspects of political representation, emerged as an intrinsic part of the 'enabling environment' discourse in the period 1985-89. As such it was part of the assertion of a claim by the World Bank to broader and broader areas of policy expertise, connected to and ideologically justifying expansions in the scope both of the regime itself and the World Bank's own role in it. AT the same time both the enabling environment discourse generally and the sub-discourse expressed a growing contradiction and antagonism between the economic and social forces laying behind the World Bank and bourgeois elites in LDCs - a marked contrast to the positive relations of the pre-adjustment era when aid flowed in larger and less restricted quantities.

The basic content of this regional governance agenda has already been suggested. It involved a critique of the African state as a degenerated patrimonial institution. The origin of this patrimonialism lay in a combination of a rapid expansion of post-colonial state functions on the basis of socialist/nationalist claims, coupled with a lack of internal constraints and regulations. Hence, in the absence of countervailing powers, an institutional order flourished which was characterized by arbitrariness, non-accountability and non-transparency and therefore incapable of effective economic and political management. Few, if any, specific remedial measures were prepared to deal with this situation. Rather the World Bank emphasized the importance of 'deconstructive' institutional reforms (unbundling the sate in terms of centralization and sources of revenue), promoting non-state players (especially NGOs) and grooming new kinds of leaders or reeducating existing ones. None of these tactics, especially not the last, was particularly novel.

A political conditionality agenda had always been present to one degree or another in superpower dealings with LDCs and, in the case of the US, its content had always involved reference to multiparty democracy and human rights (albeit applied in highly arbitrary ways). Following the breakdown of communism in Eastern Europe and the emergence of 'unipolarism,' it was formally adopted as an aid regime principle by the EC Council of Ministers in 1989 and elaborated in slightly more detail by the French, British and German governments the following year. The new 'political conditionality' agenda typically contained 'governance' issues as enunciated by the World Bank with calls for reforms in the sphere of political representation, as enunciated by the U.S. Invariably, also an explicit linkage was made between economic and political reforms.

The spread of explicitly political conditionality was problematic for the World Bank for a number of reasons, of which two were central. In the first place, it was felt to threaten the viability of or at least lead to a slow down of economic reform, by 'overloading' governments with additional 'difficult' reforms *[cf. Nelson 1990 a]*. Besides this, the World Bank has always been subjectively attached to the idea that a combination of 'enlightened' authoritarian leaders and technocrats given a reasonable amount of space represent the ideal background for successful economic reform [*cf. Trye, 1992*].

A second issue for the World Bank referred to the difficulty of formally taking political conditionality on board as part of its own '*work*.' Given the fact that the main bilaterals were vigorously foregrounding the issue and asserting its incorporation within the aid regime at both discourse and activity levels, the World Bank had to decide whether and on what terms to embrace it - or risk losing its leading role. Besides the fact that there was considerable skepticism about political conditionality within the World Bank, embracing it would also lead to a derogation of the purely technicist basis on which the institution's claims to intellectual/policy leadership were based. Besides this, there were some doubts about the legality of embracing it.[5] On the other hand, a simple contracting out from political conditionality was also difficult, since it would level to the World Bank's exclusion from an important area of policy and decision-making. Moreover, assuming that political conditionality would also require coordination and therefore a coordinative body, it threatened an undesirable pluralization of 'governance' within the aid regime itself.

The World Bank's response to these quandaries has been surprisingly ingenious and by mid 1992, apparently successful. However, the favourability to it of the outcome is also owned to the wish of the G7 countries to retain as much individual flexibility as possible in the application of political conditionality, and hence to soft pedal on the issue of its coordination.

In 1991-92, as it had previously done in the case of poverty and the environment, the World Bank set out to albeit its lead institution status as the issue through promoting 'analytical work'. The first result of this has been a 60-page booklet on *Governance and Development* written by Sarwar Lateef, Geoff Lamb and others [*World Bank: 1992*]. The essence of this booklet is an effort to (re)define governance in terms of development policy management and as separate from politics. The problem of 'governance' is said to involve four distinct issues: poor public service management, lack of accountability, the absence of a 'legal framework for development' and problems of information availability or transparency. Of these, the second and third are treated at greatest length.

The burden of the discussion of both accountability and legal frameworks is that it is possible to have a technical 'solution' to these governance problems independent of the form of political representation. Accountability is argued to have a purely administrative dimension involving the nature of the powers and practices of agents acting as proxies for the public and applying to the domain of governmental 'inputs' (not defined) as opposed to distributional 'outputs'. Hence, it can be guarantied by asserting a strong accountancy and auditing culture on the one hand and decentralizing decision-making as much as possible to points at which revenues are collected on the other. In other words accountability is equated with the assertion and generalization of the pre-eminence of financial rectitude. This repeats a formulation which appeared at the birth of the new aid regime to the effect that Finance Ministries "represent the general interest in the bureaucratic struggle for resources" [*World Bank 1981: 33*]. This time however, there are also gestural references to the importance of a pluralization of development actors (local government and NGOs) for accountability.

The discussion of legal frameworks and governance develops a parallel argument. Drawing on the distinctions between institutional and substantive (rights) aspects of law, it is asserted that the concept Rule of Law properly applies to the former only. That is, to be present, what is required is simply for a set of rules to be known in advance, for these to be enforced and for independent judiciary-controlled bodies and procedures for rule amendment to be in place. On the basis of these arguments the World Bank role in promoting governance is defined as strengthening accounting in the public service and the availability of 'choice and participation options'; legal sector reviews; and improving transparency with regard to budgets, procurement and environmental assessments [*World Bank 1992:48-50*].

The object of this intellectual exercise has been to assert not only World Bank leadership on issues of 'economic governance' but to ensure that this is de-linked from political conditionality and <u>not</u> subject to any specific forms of conditionality of its own: "There is no need for additional criteria to reflect concerns with governance: merely the effective and consistent approach of existing (ones) based on a greater awareness of the implication of issues of governance for development performance" [*ibid:55*].

The obvious danger (to the World Bank) of such an approach must be that it leaves the political conditionality field wide open to other competitors. Hence, it has been accompanied by two other operations both designed to retain an arm's length control over its operation. Firstly, the World Bank has let it be known that even though it cannot itself play any part in designing or coordinating political conditionality, it can still act as a channel for communicating decisions on it. Moreover, part of the communication of such decisions will involve the World Bank indicating that the continuity of its own assistance cannot be divorced from the continuity of other donors. In other words, although it can have nothing to do with political conditionality, or its coordination, the World Bank will nonetheless chair Consultative Group meetings where it is discussed, tell recipients what decisions in it have been reached and link the continuation of its own aid to donor's concerns about it!

The Bank should not act as the agent of lending countries at...(Consultative Group meetings at which political conditionality is discussed. However)... as chair (of them) it is normal for the Bank to inform the country of leaders' widely-held concerns, particularly where these would affect Bank-assisted programmes... When dialogue fails, the Bank's own lending role to the country is likely to be affected [*ibid*].

It is precisely this tortuously-justified role which the Bank indeed played at the recent Consultative Group meeting on Malawi, when a decision to suspend new aid pledges was linked to human rights reforms.

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World Bank and NGOs

As a result of developments in the aid regime, the significance of NGOs to the World Bank is now multifold and of considerable importance. This importance is ideological, financial and practical. The new aid regime's discourse has tended to idealize NGOs as a counterpart to its treatment of the state and has systematically emphasized their state-substitive capacities and their cultural affinity with African communities and (in an especially exaggerated way) their capacity to pluralize the institutional environment. Finally, NGOs now collectively represent the major donors (and recipients) not completely incorporated into the system of cross-conditionality, practically, NGOs are of greater direct consequence because of the World Bank's new profiles on poverty and environmental, and to lesser extent governance. This growing and increasingly varied significance has given rise to certain tensions, most of which relate to keeping NGOs in their traditional place—which as Fowler [1988] has argued, is on the lowest rung of the ladder of disbursing project aid.

Because of the World Bank's legal dedications to lending only to governments, direct contacts with NGOs were few prior to the late 1980s. A survey of World Bank projects approved between 1973 and 1988 found that only between five and six percent involved NGOs in any way. The commonest form of involvement was in the administration of agricultural development schemes (particularly for credit) *[Salmen and Eaves 1991: 109, 128]*. An international NGO-World Bank committee was formed in 1982 to meet annually for discussion of operational collaborations and in order to strengthen direct contacts. This committee which was (and remains) open to development NGOs only, was itself not attached with great importance by either side until the second half of the decade.

The present era of World Bank-NGO relations opened in 1987-88, with the launching of SDA. This coincided with the issuing of World Bank Operational Manual Statement 5.30 *[1988]* on how the institution's employees should 'make use' of NGOs in project work and with the setting up of a World Bank advisory office, data bases and internal training programmes or seminars *[Beckmann, 1991]*. A series of country studies of NGOs was also launched, as well as a general study by Michael Cerena [1988].

Besides repeating the standard aid regime discourse on pluralistic etc., significance of NGOs, Cernea's study advanced within the World Bank the argument that NGOs were an appropriate vehicle for projects with poverty implications not only because of their historical experience of this area but also because they presented workable solutions to recurrent cost issues. This was because they typically worked on the basis of cost recovery principles of one kind (cash) or another (in-kind) *[ibid: 31; cf. also Baldwin 1990]*. On the other hand, they were also acknowledged to generally have very low aid-absorptive capacities, at least in their current form. However, as indicated above, NGOs have become subsequently promoted as vehicles for 'Social Action Programmes' within World Bank projects.

In 1989, as it was positioning itself for a 'green' intervention, the World Bank initiated an opening toward environmental NGOs, local and international. Critical pressure from the latter concerning the environmental and social impact of some of its major infrastructural and forestry-related projects had been an ever-present factor since the early 1980s and had been instrumental in embarrassing the World Bank before the US Congress, but had until this time been stonewalled. Cernea's suggestion *[1988:32-5]* that collaboration and consultation with them might both serve to channel green opposition to the organization into manageable channels and actually improve the operational functioning of certain projects was now taken up in two further related directives. The Environmental assessment Directive already described and Operational Directive 14.70 on incorporation of NGOs into the project cycle. The latter, it was stated, could in future be not merely as means of organizing local communities to use project facilities (although this was still important) but also as sources of information on potential beneficials, consultants in project preparation and partners in monitoring project performance.

Part and parcel of the opening up to NGOs on the environmental front - which has consequently generated more intensive activity than the poverty one - was a recognition of the dangers of poor relations with NGOs *[Salmen and Eaves 1991: 113]*. Consequently, the World Bank transferred responsibility for dealing with NGOs to its External Relations Department (EXTIE) and began a pro-active policy of seeking NGO views and suggestions on its policy documents, including *World Development Reports* from 1990. In line with a further attempt to raise the World Bank's green profile in the run up to Rio, EXTIE launched a 'Bank-wide learning process on popular participation' and seems to have been instrumental in the 1991 revision of environmental impact assessments (see above)

In the light of these changes, since 1988 Bank-NGO relations have become both more extensive and intensive. According to Beckmann *[1991:137-8]* between 1988 and 91 NGOs were involved in 27.6 percent of all new approved projects. At the level of formal international relations meanwhile, interactions grew somewhat complex.

Perhaps because of the highly ideological interpretation of the politics of NGOs found within aid regime discourse, the World Bank registered surprise that dialogue on the World Bank-NGO committee revealed NGO's 'lack of sensitivity to macro-economic problems and to the need for an enabling economic environment' [*Salmen and Eaves 1991: 128*]. While some NGOs were extremely happy that dialogue was taking place at all, and even expressed the opinion that the World Bank's new positions on poverty and the environment had been a result of it *[E.Fernandez of Solidarios in "NGO-Bank Line"],* others grew increasingly skeptical - especially after their critical comments on (e.g.) World Development Report 1990 were simply ignored. Essentially the World Bank appears to see the purpose of dialogue as educating the NGOs and a channel for the latter to feed new ideas and 'innovating practices' into the existing aid regime, while at least some NGOs see it as a way of reforming or perhaps opening up splits in the World Bank. For the latter, dialogue has increased expectations and led, amongst other things, for demands for NGO direct representation on aid regime decision-making bodies (albeit lower level ones like the GEF 'Participants Group').

That the two sides are speaking different languages is most evident on the issue of 'popular participation' in development projects, a matter that has been before the World Bank-NGO Committee since 1990. For the World Bank this is essentially a precondition of successful cost-sharing and a means to help projects work better, it is not possible or even desirable in all projects and should be administratively led [*World Bank 1992:27*]. For the NGOs it is about empowerment.

By 1992 dialogue on the World Bank-NGO committee appeared to have stalled, although, as indicated, the rate of recruitment of indigenous NGOs into specific projects is probably still increasing. Events like the recruitment to EXIT of able NGO activists like John Clark appear to indicate a continuing interest on the World Bank's part in continuing with a 'cooling-out' strategy at this level. But in the wake of the World Bank's Rio triumph and its successful derailing of the poverty issue, it seems likely that the latter will be no longer upgraded at the same rate as in the recent past.

Conclusion

The World Bank entered the 1980s in a position of considerable weakness and doubts about its future. While the next 12 years have seen few positive results of its subsequent development initiatives, its political manoeuvres have been highly successful. By 1992 it had come to occupy an undisputed leading role within an aid regime which— with the exception of some sniping from international NGOs—had become increasingly homogeneous in outlook and escape-proof in design. This discrepancy is partly the result of an impressive display of managerial skill by the World Bank's leadership, who displayed a strong sensitivity to changes in international opinion and an ability to regularly recruitable subalterns—many, but not all of them, poachers turned gamekeepers.

By 1992 some common trends in the World Bank's tactics had become clarified. The organization recognised that its best chance of survival was expansion and subsequently worked to a game plan which involved launching takeover bids for expert status with regard to current issues, manufacturing a consensus around its interpretation of them, blaming others for its own earlier mistakes in the area, proposing market solutions with mitigatory or compensatory elements, using plans for mitigation/compensation as a basis for attracting new funding and using the outcome to promote cross-conditionality and through it strengthen its own hegemony. While the World Bank has been the gainer in this process, the issues themselves have suffered theoretical and practical trivialisation.

Of course, while the nature of the World Bank's own strategies have been influential in this process, the latter have been developed against a set of structural conditions which were basically and increasingly favorable. While the donors have become increasingly united, the opponents of orthodox aid policies—whose position was often ambivalent even at the outset—have become generally fragmented and isolated. Problems besetting the new social movements in the northern countries were reflected in this process. Lacking any common social base or material interest and depending for their support on a basically favorable economic situation, unity between and even within the different forces which the World Bank confronted was always problematical. As the renewed international recession of the early 1990s deepened, interest in the advanced countries in poverty, the environment and human rights abroad declined and the influence of those promoting an alternative aid agendas waned further. Meanwhile, within the donor community itself, the same external trends have both reduced the capacity for critical debts with the World Bank and led to a closing of ranks behind a defence of aid in general, regardless of its content. The one partly uncaptured element in this scenario comprises the international NGOs, who as yet, however, show few signs of agreement on what they should be demanding from and of the aid regime, and what bargaining counters are at their disposal in doing so.

Notes

2. For a fuller historical treatment of this issue, see Gibbon *[1992 a]*; for an examination of its relation for the World Bank to the question of population, see Gibbon *[1992 b]*.

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3. Only 50 percent of the pledges made to the fund were honored by 1991 and no production projects were under way *[Franch 1992:161]*.
4. One member of the U.S.delegation to Rio made a public statement at the summit to the effect that "environmental protection has replaced communism as the great threat to capitalism" *[Financial Times, June 11, 1992]*.
5. The World Bank sought legal advice on the question; for their counsel's opinion, see Shihata [1991].

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