

War, Development and World Bank Twists and Turns

Many times nations are thus thought of as fixed identities—only this is an illusion as much for nations as for stars, each of which are in relation to the others—that have gravitational fields which you cannot see, but that we now know exist... I understand globalization to be a kind of gravitational field and I try to see nations in motion, crossing their very borders and with fields of force, for example, political and economic fields...

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1 INTRODUCTION

The objective of this article is to examine the impact of the wars provoked by the United States on World Bank policies.¹ I try to demonstrate that the Bank's various approaches to development have been related intimately to international conflicts and US foreign policy positions. The first major shift in World Bank strategic thinking was motivated by the US defeat in Vietnam (1973), the second by the end of the Cold War (1989) and the third by the attack on the *World Trade Centre* (2001).

In its official documents, the Bank presents itself as the main source of development assistance to countries as well as an influential producer of knowledge and promoter of development policy. Its activities include the divulgation of paradigms to large

circles of intellectuals, governmental and non-governmental agents, the private sector, social movements and the media. Not without reason, this entity is seen by some analysts and militants as being obedient to great powers and multinational corporations and is criticized for the restrictions it places on national decision-making capacities, particularly in those nations with weak economies, serious poverty and limited military power.

Always cited as an expression of *multilateralism*, the highest authority in the Bank is the Board of Governors involving 185 states. In reality, the most important resolutions are taken by the 8 states that are the permanent members of the twenty-four-member Board of Executive Directors.² The rest of the nations are grouped into 16 blocs and elect a representative every two years to the Executive Board. As the major 'shareholder,' the United States government chooses which decisions require a majority of 85% of the votes and it has a veto power. It also indicates the President of the Bank. The Bank President communicates directly with the US Congress, the US secretaries of the Treasury, State and Commerce, the directors of the Federal Reserve Bank and the Export-Import Bank.

Despite the World Bank's extraordinary capacity for persuasion and self-importance in the so-called area of international cooperation, its role in the processes by which nations are formed has not yet been systematically analyzed or reflected upon. Even when studies on nationalism mention international institutions, they rarely take into account the impact of their interventions. Bodies such as the World Bank have not normally been associated with war and are even less to be found on lists of nation-builders.

Nationalities Watch researchers are committed to investigating the strict ties between international and national processes. In the article, "The Meaning of Nationalism and Internationalism" ("Tensões Mundiais", 2006:80-111), the authors

show how the declaration of nationhood is directly related to global economic integration and the spread of values consecrated in modernity. Such an understanding constitutes the point of departure of this work.

The relationship between World Bank activities and the dynamics of international conflict is a theme rarely mentioned. Modern social thought understands war as an irrational act and fruit of particular interests; modern civilization has been alone in promoting internationalism with its concern for peace, harmony and progress. According to Manuel Domingos (2005:41), "modern man does not accept bloody confrontation as a natural human occurrence and rejects it as an enabler of civilization because war attacks its most deeply held convictions," among which the hope of a better future. The World Bank tries to justify itself by flying the flag of development with its promise of a rational, harmonious and prosperous future. However, as this article argues, its role has been to complement the military efforts of the very nation that most influences its strategy, the United States.

Michael Mann (2006:113) argues that US foreign policy swings between unilateralism and multilateralism, this duality being the source of its schizophrenia and dwindling position as world leader. By becoming a militaristic empire, the hegemonic power has been turning its back on classic American values, with their universal power of attraction. The sociologist thinks it incoherent that, in a world organized by nation-states, the US tries to maintain its dominant position by not signing international treaties or recognizing the jurisdiction of international courts and the like.

My area of observation is Latin America. Challenging current perceptions that Latin Americans imported nationalism from Europe, Benedict Anderson (2005) emphasized the precociousness of nationalistic expression in the New World and its republican tendencies. In the midst of the wars for inde-

pendence, the Liberators' patriotic pronouncements formed the bases for the budding republics' constitutions. The Liberators also projected their expectations in regard to continental integration and friendly relations with the hegemonic centers of power.³ Túlio Donghi (2005) queries the other, also common, assertion that Latin America would have stayed at the margin of the incipient world system. This historian shows that the violent incorporation of the subcontinent into capitalist modernity was financed in large part by resources coming from the American colonies.

The complexity and contradictions that characterized the rise of nation-states in Latin America persists until today and manifests itself in the expressive displays of resistance to neoliberalism and globalization. The election of governments formally committed to the recognition of the social rights of populations changes the perspective of the subcontinent's insertion in the world system. Searching for development alternatives, facing large levels of debt to international creditors as well as accentuated social inequalities, Latin Americans give a nod to regional integration in opposition to US plans. How does the World Bank figure into this process, given that for 60 years successive missions have roamed the region offering financial and technical assistance?

In international relations literature, it is common to use the term 'multilateralism' to mean a system based on the formal equality of sovereign nations which make up the international community.⁴ The term is vague and yet involves complex notions such as 'equality,' 'nation,' 'sovereignty,' 'international community,' which, in turn, give rise to new discussions. Controversies over multilateralism are not limited to its meaning: concepts involve embedded conflicts of interests and, when these orient political actors, they produce consequences.

One of the presuppositions in the creation of multilateral organizations is the universal belief in the superiority of the

civilized world in contrast to ancient or primitive societies, classified as poor, backward and traditional. This feeling of superiority is reinforced by the fact that many of these societies arose out of modern colonialism. According to Catherine Cauffield (1996:91), between 1954 and 1964, the number of states affiliated with the World Bank grew from 56 to 102. The majority of them shared the condition of underdevelopment, according to the guidelines of the Bank, which did not hesitate to assume a 'civilizing mission': to help to build modern nations via the transfer of capital and technology.

Longing to attend to the needs of capitalism in an international labour market, shaped more and more by immigrants whose rights are violated, the World Bank took upon itself to define the concept of poverty. Generally measured by ranking nations hierarchically in terms of Gross National Product (a ranking that also served to calculate the quotas of member States), poverty as a concept has changed and is now recognized as having a relationship to human rights.⁵

The strategies issued by the Bank nourish expectations of a better life among many national communities. Presently, this body gives assistance to a population estimated at 4.8 billion people, the majority of whom are unemployed, underemployed or in the informal sector. The Bank (2005:57) emphasised:

Global integration in reality could be a powerful force in the reduction of poverty and the empowering of the poor. Poor people have fewer possibilities of being poor in a country that trades its goods, services and ideas with the rest of the world.

Fighting poverty became a symbolic goal in remote corners of the world as well as in institutions of academic excellence and it conferred a legitimacy that military force alone could not guarantee.

2 THE DEFEAT OF THE US IN VIETNAM AND THE FIGHT AGAINST POVERTY.

The IBRD was founded before the end of the Second World War, at United Nations Financial and Monetary Conference (1944). From the beginning, the United States exercised uncontested dominion over the direction of the entity. The *Bretton Woods* Agreement, ratified in 1945, established the gold-dollar standard and benefited the interests of the new hegemonic power: access to the raw materials of the European colonies, free trade for its products and facility to invest in foreign economies. It fell to the US government to nominate the IBRD president.⁶

The Bank's investments were destined above all to finance the reconstruction and development of Europe devastated by the War.⁷ In the following years, the explosion of national liberation movements in Asia and Africa, which had an ally in the Soviet Union, modified the Bank's relationship with the former colonies, which until then had been assisted directly by the metropolitan countries. The Cold War polarized the international community; in any case, the signed pacts within both blocs had more to do with national interests than ideology.⁸ Because only the free (non-communist) world was formed by sovereign states, about 100 nations needed protection against the communist onslaught and help in order to develop. Under the leadership of the United States and with its military and economic support, multilateral organizations came to fill this role that was crucial to the maintenance and expansion of capitalism. In 1949, the IBRD sent help to friendly Latin American nations: Chile, México, Brazil and Colombia.

One of the most violent conflicts between nationalist forces and colonials was fought in Indochina, occupied by France. At the Geneva conference (1954) agreements were signed constituting the independent nations of Cambodia, Laos and Viet-

nam, a country whose political unification depended upon elections supervised by an international commission. Because of the predominance of Ho Chi Minh's forces, the USA did not sign the agreements and, in a unilateral declaration, repeated its proposal to defend the region from Sino-Soviet aggression. In this way, the South-East Asia Treaty Organization (SEATO) (1954) and the Republic of Vietnam (1955) were born. The US military intervention unleashed a bloody conflict that moved international public opinion and that only ended in 1973

In that same year, Robert McNamara, the major strategist of the war and Secretary of Defence in the Kennedy and Johnson administrations, proclaimed before the IBRD and IMF Boards of Directors, meeting in Nairobi, a war on poverty. For McNamara poverty threatened the new international economic order.⁹ The idea that the security of a country depended upon its development, which he expressed in *The Essence of Security* (1968:186), became the ruling mission of the multilateral organizations together with their member governments, especially in South East Asia and Latin America, destabilized by successive armed rebellions and military take-overs. At the time, the security-development binomial entered into the discourse of Latin American generals involved in political repression.

The defeat in Vietnam was not only military but, above all, political and moral; it had a great impact on US society, which had mobilized for peace and civil rights and against military recruitment. It was against the background of a war that was lost not so much on the battlefield as at home that McNamara (*ibid*:13) meditated:

...security does not lie uniquely, or even primarily, in military force but, equally, in the development of stable patterns of economic and political growth as much in our country as in the developing nations in the rest of the world.

The strategist announced the urgency to eradicate poverty and its corollaries -hunger, illiteracy, sickness, despair, violence – having the collective defence of the free world in mind. According to McNamara (*Ibid*:150), the plague of poverty is as serious in underdeveloped nations as it is in the midst of prosperity: “poverty in the United States is not immediately obvious to the world because abundance, unbelievable abundance, is what is most evident.” Only a guided modernization process would be able to avoid the social tensions and political instability engendered by poverty. Regarding Latin America, national development would require productive infrastructural projects (dams, roads, energy) and specific projects for upgrading the labour force (housing, health, education) besides a broad and deep ideological campaign for the purpose of sharing beliefs and the principles that characterize the transition from traditional to modern society.

McNamara put these proposals into practice during his period of administration (1968-1981). The World Bank furnished huge loans for modernization. What distinguished McNamara's Bank from previous administrations were its programmes for poor rural smallholders as well as programmes for the urban poor. Both groups were considered potentially revolutionaries in the perspective of the national security doctrine.¹⁰ Hurt by the victory of the Vietnamese peasant militia, the United States worried about containing social tensions in the countryside, the desired objective of the Bank's rural development programme. This demonstrated the strong link between US military strategies and the policies of that multilateral agency.

Rosemary Galli (1981) discusses the World Bank's integrated rural development policy introduced in the 'Third World' in alliance with governments and national elites in order to maintain social order. In the mid-1970s, the Bank conceived of rural development as the 'application of productive and management technologies' along with provisions of social infras-

structure. In this optic, smallholders who received new techniques and technologies as well as schools, health posts and roads would not only increase their incomes but would feel pacified; that is, they would no longer rebel against the institutions and structures that limited their chances of a better life. Galli concluded from case studies of rural development programmes in Tanzania, Colombia, Mexico and Bangladesh that rural struggles continued in spite of the Bank's deliberate strategy to ignore the issues of politics and social inequities.

Up until then, the notion that poor people neither benefited from development nor contributed to its accomplishment was predominant in the thinking of international officials and 'First World' academics who had promoted the rural capitalist expansion euphemistically known as the *green revolution*. This was revealed in the Bank's earliest intervention in Colombia, the oldest South American constitutional democracy, where a bloody civil war has been occurring for more than five decades.

In 1950, Lauchlin Currie, an economic adviser to Presidents Roosevelt and Truman, led a mission to Colombia, which recommended encouraging the migration of small producers and the formation of a 'modern' agriculture. It also favoured the expansion of the cattle-raising sector in order to supply the US market. In Currie's eyes, the major impediment to the country's growth was the excessive number of peasants. Making them more efficient and productive would only worsen the situation because there were just too many. For Currie (1968), the means of reducing population numbers was to attract or expel people towards cities, not in accordance with natural economic laws, but as a result of a shock. War was just one such shock and could accelerate demographic mobility. Such premises guided successive Colombian governments until the mid-1970s. One of the best World Bank clients, it was the first Latin American country to institute the Bank's integrated rural development policy but its social problems did not diminish and the civil war continued.

In the case of Brazil, the relationship of the IBRD with the generals who governed from 1964 until 1985 shows how it is possible to harmonize the activities of a multilateral body with a strong patriotic discourse. The intimacy between the Bank and the military government came from a common obsession with a development model linked to international capital. Imagining themselves better able to fight underdevelopment than civilian governments with their clientelistic tendencies, the generals dedicated themselves to building a *great power* by removing all obstacles to their modernizing mission. At the same time as they arrested, tortured and killed opposition leaders, the Brazilian generals followed World Bank formulas and counted on its 'aid' for numerous initiatives designed to integrate rural workers into the market and extend social security benefits to their families. This strategy resulted from the necessity to contain the growth of the armed struggle in the interior of the country. The military pushed the creation of planning bodies and the extension of infrastructure that permitted the expansion of productive activities and the opening of the Amazon, an area already considered of national strategic interest and a target of great powers ambition.

World Bank intervention in the conception, management and finance of public policies, above all, in technological matters relevant to the energy, aviation and telecommunication sectors, fueled internal tensions within the Armed Forces (Flynn, 1978). The nationalist faction was unhappy with foreign interference and the government's persistent disregard for income distribution and regional problems. In the Northeast, after years of state intervention monitored by World Bank experts, a prolonged drought revealed the fragility of the measures introduced to modernize agriculture in this semi-arid region, including export policies, subsidized credit, irrigation projects, land reform and incentives for agro-industrial sector. Hoping to resolve the social crisis, the Bank redefined basic concepts and the methodologies for state action.

The military dictatorship's accomplishments supporting the transformation of Brazil into a Great Power (*Brazil Great Power Project*) changed the country's profile, making it more integrated, industrial and urban. These adjustments were driven by the intense propaganda of the new mass media and by large-scale World Bank assistance for educational, cultural, scientific and technological policies. Even though Brazilian dependency grew, there was no denying the Bank's contribution toward the consolidation of nationalist sentiment and the affirmation of the Brazilian State.

Ernest Gellner (1988:39-42) holds that nationalism has its roots in a social structure characterized by a complex and ever-changing division of labour. In such a society, the best way to effect mass social control is to promise *perpetual growth*. Something extraordinary succeeded in engendering an expectation so large and uncommon: the idea of a unitary world with infinite possibilities of progress associated with the vision of a society dependent upon cognitive and material development whose productive system is always developing and where social mobility is possible and equality is the essential illusion.

Multilateral institutions disseminate this notion of progress as a universal norm, above all, to states born out of the anti-colonial struggle in the post-war period and eager to affirm themselves in the international community. According to these *masters of illusion*, nationalism is a *stage* of socio-economic growth, which is necessary for any society that wants to make its way into the modern world. Tom Nairn (1975:14) recalls the fascination of the colonized with the *developmentalist* ideology of the colonizer. Developmentalism transforms nationalism into a kind of universal pattern of social and political organization. The *natural* tie between nationalism and development, the *national-developmentalism*, constitutes obligatory response to the material dilemma, which in the words of this Scottish nationalist, is the "*the crudest dilemma of modern history. That*

is 'underdevelopment', the fact of not having and the awareness of this intolerable absence'.

3 THE END OF THE COLD WAR AND THE POLICIES TO COMPENSATE THE POOR

Once the contest between the two great powers had gone cold, with the fall of the Berlin Wall (1989) and the fragmentation of the USSR (1991), dozens of small Eastern European and Eurasian countries joined the IBRD and the IMF. The US consolidated its power and the international financial institutions were strengthened to the detriment of the UN's potential capacity for global coordination.

Despite being formally designated a specialized UN agency, the World Bank maintains only a symbolic tie to the United Nations and acts autonomously. Its leadership among the agencies of so-called international cooperation is the result of a fierce competition with the UN for the management of the global political economy. Financial resources, economic intimidation, political reprisal and secret negotiations are all decisive elements of Bank strategy to expand its ideas and activities. The institution tries at all costs to affirm itself as "the arbitrator of development issues," according to Nicolas Guilhot (2000:20).

With the change of course of US foreign policy undertaken by Ronald Reagan (1981-1989), the World Bank embraced neo-liberal dogma and adopted *free enterprise* as its prime resource for the solution of national problems.¹¹ Until then, States were considered the principal promoters of development as well as being large borrowers of World Bank loans for investment in infrastructure. Weakened by external debt crises and beholden to new foreign investments, States became a ready target for multilateral normative policy instruments that were more efficacious in attending to the needs of an ever-growing internationalization of production.

Alejandra Corbalán (2002) captures the World Bank's mission in the process of capitalist restructuring in a few words: *disciplining* national bureaucrats. The Argentine sociologist examined the case of Argentina. He highlights the combination of persuasive and coercive practices that Bank technocrats used during the process of State reform to "mitigate the excessive nationalism" of state functionaries so that they would not stand in the way of international agreements.¹²

The Washington Consensus (1989), which guided the restructuring of Latin American states, followed the dictates of the US treasury and the multilateral institutions. It was premised upon the neo-liberal dictate that only the market can regulate the relations between capital and labour. The fact was that *free enterprise* benefited the high-technology sectors of the US economy subsidized by the government and, for the most part, integral to the military-industrial complex. World Bank strategies such as the Structural Adjustment Programme and the Market-Assisted Land Reform Programme gained importance. They were concerned with limiting State presence in economies. At the same time, they were dressed up as apparently democratic and participative initiatives but were dictated *from above and from the outside*.

Bank strategies were specially directed to the literate and to so-called opinion leaders who had been outstanding in the nation-building process. In the Latin American case, the end of military dictatorship at the same time as the beginning of structural reforms stirred up anti-state feeling among segments of the bourgeoisie and intellectuals. For its part, the Bank proposed measures to bring major benefits to the private sector; among these measures was the enlargement of the 'investment portfolio' of the International Financial Corporation and the creation of the Multilateral Investment Guarantee Agency (1988). In the Bank, a new generation of economists of the Chicago School with neo-liberal propositions, quantitative models and

market terminology assumed importance.

Moreover, resuming the non-governmental organizational-type it had initiated at the end of the 1970s, the World Bank expanded funds dedicated to "small projects." It also elaborated in-house manuals to stimulate cooperation between Bank officers and civil society and contracted "civil society experts." In documents and official meetings, Bank officials emphasized the similarity of the roles (*global modernizing agents*), values (*participation, transparency, and governance*), objectives (*sustainable development, the fight against poverty*) and technical skills (*engaged professionals*) between these civil society organizations and the World Bank.¹³

Equally important for its efforts to involve large sections of society in the anticipated State reform was the progressive inclusion of such themes as citizenship, racial discrimination and gender, land reform and the environment in its political agenda, as well as the establishment of the Independent Inspection Panel (1993). This IBRD entity was charged with checking operational loan problems, thus demonstrating the Bank's transparency.

However, the most efficient Bank policy instrument for introducing profound macroeconomic change was the Structural Adjustment Programme implemented in the 1990s. The package of liberalization, 'flexibilization' and privatization measures aimed at guaranteeing the debt payment by restricting fiscal expenditures and by reducing constitutional entitlements. Many social conquests obtained in decades of struggle began to collapse. Employment stability, collective wage bargaining, union participation in businesses, to cite a few examples, clashed with restructuring of the productive process, which required undermining social rights inscribed in law. As a result, the already precarious life situations of large population segments worsened in countries as diverse as Argentina, Brazil, Korea, Ecuador, Indonesia, Mexico, Russia and Thailand.

Not for nothing, the World Development Report of 1990 was dedicated to poverty. In its analysis of the global conjuncture, the World Bank contrasted the idea of the lost decade (the 1980s) to a new age of promise (the 1990s). In order to validate its strategic proposals, it classified countries on the basis of the per capita GNP into low, medium and high economies and mapped the major concentrations of poor people: Sub-Saharan Africa, South Asia, Latin America and the Caribbean. Armed with the authority of an obligatory reference point for governments and academics, the IBRD (1990:3) offered a recipe for growth, the principal ingredient of which was “the productive use of the capital that poor people have most: their labour.” In order for this to happen, market incentives, political and institutions, infrastructure and technology must be adapted to fight against poverty.” The success of this undertaking, “the reduction of poverty from 33% to 18%,” would depend not only on aid from industrialized countries and international bodies but, above all, of the willingness of governments receiving aid to follow Bank prescriptions (*Ibid*:4): “In the fight against poverty, well planned public expenditures targeted at well-defined beneficiaries can be very important.”

Poverty was no longer linked to redistribution issues or employment generation but to a deficiency, above all, of entrepreneurial spirit, rational procedures and labour productivity. In order to compensate for a lack of access to essential goods, the poor needed to work more efficiently rather than expecting the State to broaden or better public services. Free services for all citizens, the characteristic of the Welfare State and now understood as only assistentialism, was to be replaced by targeted or affirmative action policies. The gradual assimilation into the World Bank of professionals from civil society organizations reinforced this stance. In the optic of these critics of the State, the failure of Bank-financed projects should be attribute to the persistence of clientelism, corruption, and

influence peddling within national governments. In so-called *poor* countries, the statist and corporatist practices of the past predominated.

Access to international credits was made conditional upon the adoption of standards of *governance*, understood as “the capacity of national authorities to reduce their countries’ external debt to manageable levels and to reform public institutions to make them efficient.” The Bank and IMF would give rulers technical assistance in the sense of help in monitoring macro-economic policies, including budget transparency, in managing public resources effectively and in fine tuning economic and environmental stability to private sector activity.¹⁴ Keeping in mind these agencies’ rigorous control over Latin America, in the so-called age of promise, the US’s strict military control was limited to extreme cases of disobedience to the new international order such as that which occurred in El Salvador, Guatemala, Nicaragua and Panama. These countries were subjected to bloody interventions in order *to restore democracy* after brief interludes of popular government and social reform.

In the matter of governance, the experience of Argentina is illuminating, as it was elevated to the level of a model nation by the multilateral agencies during the Menem regime. The structural reforms initiated in President Carlos Menem’s two terms (1989—1999) delineated a new form of economy and state in an attempt to reconcile neo-liberal prescriptions with an appeal to nationalist sentiments. This endeavour rested on two pillars: monetary stability and the personalization of political power inspired by the Peronist tradition. Executive rule weakened the other branches of government and such other influential national entities as the trade unions and the Armed Forces. Today, the only nation where World Bank agreements do not dependent upon congressional approval is Argentina. Its integration into the global market through an unprecedented alignment with the United States resulted in sa-

crifices and the increase in poverty for the majority of people, which culminated in the December 2001 crisis whose magnitude can be measured by the rise and fall of five presidents in less than 15 days.

In order to diminish the negative impact of structural adjustment measures on the most vulnerable populations in developing nations, the World Bank recommended so-called compensatory or complementary policies. Investments in education, health, sanitation, nutrition, rural development aimed at protecting the poor and alleviating the tensions due to the restriction of public expenditure in social areas in the period of economic adjustment (IBRD, 1988).

The objective and coverage of the Market-Assisted Land Reform Programme, begun in 1995, exemplified the type of help proposed. It was designed to propagate neo-liberal principles to the vast world of rural workers and to engender expectations for poverty reduction and rural pacification. The market was to resolve problems resulting from land concentration inherited in large part from the colonial period. *Free bargaining* in the buying and selling of latifundios, without State interference and the pressure of social movements, would secure the right of private property, resolve the chaotic agrarian scene, expand the supply of land, and inhibit paternalism, the bureaucracy and lethargy of government bodies. In brief, World Bank policy was described as *modern* and its opponents as *traditional*.¹⁵

The notion of private property was to be introduced through the subdivision of land into individual plots, in areas where there has been a complex tenure system and communal management of land, water and forests. These systems are inseparable from the logic of peasant production and indigenous traditions and have been recognized by the 1957 UN Convention on Indigenous Peoples Rights. The *order* upheld by *market forces*, is considered unjust by rural poor peoples; it threatened their habits, beliefs and values established long

ago. Uprooted from their birthplaces and without other forms of livelihood, they have organized to occupy lands, demand the return of the agrarian question on the political agenda, unify national struggles and establish an international resistance network, *Via Campesina*, one of whose principal priorities is food sovereignty.¹⁶

In their battle against the unilateral opening of agriculture to the global market and the privatization of public farm service agencies, peasants challenged those who wanted to see the State discharged from its constitutional obligations. The rural labourer, who until a few decades ago had been illiterate and had little knowledge of his/her country, now demanded equal rights, recognized symbols of nationality, and finally understood him/herself as a member of the *community of sentiments* that characterized the nation. In this process of adherence as well as confrontation, the World Bank has been a decisive actor. To be precise, the World Bank has always been directly or indirectly involved in modernizing rural initiatives: innumerable principles, concepts and procedures have been literally extracted from this institution's prescriptions. Both its efforts to transform the rural world profoundly and the *grass-roots* reactions to these changes have been part of the processes of the materialization and consolidation of nationalities.

The experience of national community formation has defined an ambiguous role for rural societies. Even though they have been systematically treated as resisters to modernity, rural cultures formed an indispensable element in the clichés surrounding nationalistic declarations. Artists and intellectuals of different literary styles, political attitudes and epochs have sung the praises of a *national character* based upon an idealized rural life. With its sights on the future, the nation has been rooted in ancient traditions, values and customs. This led to the rural type being seen as an authentic guardian of the original characteristics of a people. At the same time as the countryside

has been disparaged, urban industrial society has needed it not only as a cultural reference but also a source of goods and services. The rural world provided food, raw materials, workers and soldiers that guaranteed the security of cities and the instruments of State force.

Born in Australia, James Wolfensohn became a naturalized US citizen and Wall Street investor before he became World Bank president. In the first years of his long term of office (1995-2005), the Bank contracted universities and non-governmental organizations to redefine the concept of poverty from a multi-disciplinary perspective. The study, *Voices of the Poor* (IBRD, 2000), resulting from research undertaken in 23 countries, "shows the poor as active agents in their own lives but not able to influence the economic and social factors that determine their well being." In the jargon of reports and studies on the topic it was necessary to *empower* the poor, a new expression that signified delegating power.

Neither the predictable failure of the compensatory policies to reduce poverty nor the criticisms of diverse sectors of public opinion (including former Bank directors, rulers, intellectuals, journalists, trades union leaders, popular leaders, and human rights activists) had affected the Bank's *developmentalist* impetus. Until, that is, the US Congress reacted in 1998 to the continuing international financial institutions' requests for additional funds and nominated a congressional commission to evaluate their performances considered "costly, slow, unsatisfactory and intrusive."

The mandate of the enquiry undertaken by the Meltzer Commission seems to have been to restrict the multilateral agencies' autonomy in relation to the hegemonic power. The final report gave notice that "global economic growth, political stability and poverty alleviation were in the national interest of the United States of America."¹⁷ Under the presidency of Allan Meltzer, professor of political economy, and under the supervi-

sion of the Treasury Department, the commission questioned the “adequacy and effectiveness” of these institutions, citing the gap between promise and accomplishment, and came to ponder even the elimination of one or more of them and their merger into one institution. By a majority vote, the congressmen chose to reform them in order to eliminate conflicts, to avoid overlapping, and to return to specific functions as a way of increasing transparency. The principal measures approved were: the canceling of debt for “highly indebted poor countries” that followed IBRD and regional development bank strategies and the elimination of the IMF practice of long-term loans for poverty reduction.

4 THE ATTACK ON THE WORLD TRADE CENTRE AND A “WORLD FREE OF POVERTY ”

Following the US Congress, the multilateral agencies pressed for a debate on poverty in the twenty-first century. As the World Bank (2000) warned: “global poverty could adversely affect the richest nations, seeing that markets and investment opportunities are shrinking and people are migrating in search for work and income.” According to Bank estimates, there were 1.1 billion poor people living on less than one dollar a day and 175 million migrants, many illegal, that developed countries were having difficulty assimilating.

In order to multiply “opportunities” and to decrease “challenges” to the global economy, the UN (2000) and the IBRD (2000) renewed proposals for development to “go beyond economic growth” and include social goals. The first and more important of these was the reduction by half of poverty and hunger by 2015, followed by the improvement of education and health, the promotion of “environmental sustainability,” international partnership to guarantee a “just financial system,” the “cancellation of debt,” and the cooperation of the private

sector, especially in the areas of information technology and telecommunications. In *World Bank* headquarters in Washington, a giant poster announced the institution's current motto: *our dream is to work for a world free of poverty*. According to the economist Jeffrey Sachs, director of the UN Millennium Project and Harvard University professor, it would be possible to end extreme poverty in the world in two decades if there were major investment in "external aid" and "if the poor countries were taught how to use donated money."¹⁸

While the international community got caught up in these kinds of declarations, the imperialist power followed a *War against Terror* strategy, formulated after the attack of September 11. William Cohen, Defense Secretary under Bill Clinton (1993-2001), stated that the United States was engaged in the "unilateral use" of military power in defence of its vital interests, including the "guarantee of unlimited access to essential markets, energy sources and strategic resources" and all else Washington decided was within its "domestic jurisdiction."¹⁹ The justification for invading *outlaw* nations when necessary to maintain US hegemony is found in the *Project for the New American Century's* study entitled *Rebuilding America's Defenses*, elaborated by this institute and published in the 2000 elections by the candidate George W. Bush. One of his mentors, Paul Wolfowitz, later became president of the World Bank.

Preventative war, under the guise of *liberating* the Afghan people from the Taliban, caused thousands of victims and disorganized social and economic life. An International Aid Mission was established within the country and the World Bank began to coordinate the activities of "postwar reconstruction." It had the task to establish appropriate institutional conditions that would stimulate "citizens' belief in the national State and in the benefits of a formal and entirely legal economy." The same objective was found in the agreement signed by the multilateral bodies and the Islamic Republic of

Afghanistan, whose leaders had been elected during military occupation.²⁰ At the time of the Iraq invasion, despite protests from every continent and the UN Security Council, the World Bank adopted similar procedures for the construction of a *free and democratic* Iraqi State.

“Fighting terrorism” joined the concern to “fight poverty,” according to what can be verified in the actions undertaken not only by the multilateral agencies but also the USA. In March 2002, the Bush government proclaimed its development aid programme. The Millennium Challenge Fund contained funds for only those States that committed themselves to *governability*, the *free* market, education and health. Expectations that national development project would decrease the number of the poor and provide security having been frustrated, the World Bank adopted another focus. It concentrated its efforts on eradicating *global poverty* that had motivated the migration of 3% of the world population. The intensity of migration flows to the central areas of capitalism provided the opportunity for stricter regulation of the international labour market and the classification of millions of people as illegal and incapable of providing for themselves fueled ethnic, racial and religious riots.

The linking of poor people, immigrants and terrorists was accentuated during the Wolfowitz administration of the World Bank (2005-2007). The former executive officer of the multinational corporations, Halliburton and Hasbro, held positions in two Republican administrations. In the Reagan years, he was Ambassador to Indonesia and maintained good relations with Suharto, the dictator accused of human rights violations in this country and in East Timor. During the 1990s, as co-director of the US-Indonesia Society, he brokered deals between this country and petroleum, mineral, pharmaceutical and financial services companies. In Bush’s first administration, Wolfowitz was Under-Secretary of Defence.

His nomination as Bank president represented the dominance within the Bank of so-called *neo-conservatism*.²¹ In *Colossus, the Price of the American Empire*, Niall Ferguson (2004) argued for the legitimacy of military intervention to “bring down tyrants.” According to the young English advisor of Bush junior, the wars in Afghanistan and in Iraq were a clarion call for nations, especially those of the *old* Europe, who would challenge the imperial power, and those of the Middle East who came to have the example of the *democratic* regimes installed by the United States after *liberating* the people of those two countries. Only political regimes that conformed to the Anglo-American model of democracy would survive: either nations accepted multilateral and bilateral aid peacefully or they would be criminalized as *rogue states*.

Almost twenty years ago, the consequences of multilateral *aid* to developing countries had been plainly evident and in the public dominion. According to *The Economist*, the fifteen most indebted nations (ten of which were Latin American) transferred more funds to the World Bank through interest payments than they received in the form of new loans.²² A publication of the non-governmental organization, *Friends of the Earth* (Hittle, 1993) showed that, while the G-7 *donor* nations had contributed only 46.5% of World Bank resources available for *beneficiary* countries, they garnered for themselves 53% of Bank resources in the form of consultancy contracts and equipment purchases. Nonetheless, globalization only began to be critically debated after the *World Trade Center* attack, when the Empire’s vulnerability to extremist actions was revealed.

In his book, *Globalization and its Discontents* (2002), Joseph Stiglitz, former head of the Council of Economic Advisers under Bill Clinton and former Vice President of the World Bank (1997-2000), related his experiences as a highly placed civil servant of the greatest military power. For him, the US Treasury Department overlooked essential information regarding the

Asian and Latin American financial crises. The criticisms he made about the “mistaken” way that the multilateral institutions conducted globalization, rendering the rich even richer and the poor “even poorer and angry” were focused on the IMF-imposed precepts, based on the “obsolete assumption” that markets are efficient and on the World Trade Organization (WTO) in which the predominance of industrial nations’ interests put developing nations’ agricultural exports at a disadvantage.

As far as the World Bank was concerned, the current professor of Columbia University felt that, in contrast to the WTO and IMF, this institution was dedicated to research and debates that were “free from interests and impositions.” According to him, the Bank felt it important to listen to poor people, and engaged in “knowing a nation and loving it.” Stiglitz (2002:264) concluded that “within the World Bank there is a serious attempt to maintain its promise to ‘bring a nation with problems under control’ via its programmes in various countries.”

The IBRD (2003) offered its own version of the impact of globalization. Elaborated under the direction of its chief economist, Nicholas Stern, the text assumed that economic integration was “inevitable” and, supported by comparative studies and statistics, it sketched the measures taken by ‘successful’ and ‘failed’ States. In the first instance, China, India and Mexico were cited the most while Afghanistan and Congo represented the latter. The selection of these two countries as examples of failure strengthened the argument that terrorism and civil war present enormous challenges to policy coordination in the international sphere.

In response to its critics that globalization generates impoverishment and “cultural standardization,” the Bank (2003:37) admitted that there were “winners” and “losers,” but it exalted the benefits of globalization and adopted an approach “diametrically opposed to nationalism, protectionism and pre-industrial romanticism.” Access to markets,

direct foreign investment, education, health and social welfare services, increases in foreign *aid*, debt *pardon* and environmental regulation were the suggested formulas for promoting “a world economy that includes all” and mitigating the risks of a “retreat to nationalism.”²³

The nationalism referred to by the World Bank involved the stage of economic growth, typical of the inter-wars, in which the predominant policies were: protectionist policies including tariffs and tariff barriers, agricultural subsidies, goods and services monopolies, the strengthening of savings and domestic markets; controls over borders, population movements, knowledge and natural resources; corporatist labour laws; authoritarian political regimes that were corrupt and responsive to elite demands; traditional values, xenophobic ideologies; and finally measures that tended to isolate the society. *Exaggerated* nationalism, in the Bank’s view was particularly prejudicial for poor countries because it impeded the flow of the economic, social, cultural, political and technological forces that transcended national boundaries.

The outcome of World Bank ideas and actions was not as expected: its competency and legitimacy continued to be put to the test. In the first few years of the XXI century, protests against the institution occurred in numerous cities at the same time as the usually tranquil annual joint assemblies of the Bank and IMF and they were featured in the elite press. Editorials, journalist reports and essays expressing reservations on the Structural Adjustment policies became common. During the activities of the World Social Forum, one of the preferred themes debated was neo-liberal globalization spread by the multilateral agencies. The agencies were the object of studies, mobilizations, boycotts, congressional lobbies and educational campaigns carried out by civil society networks.²⁴ The World Bank adopted a conciliatory position in the face of this dissent: it modifi-

ed its language, improved the process of project elaboration, opened its archives to the public, unlocked channels for popular participation, pressed forward complaints about irregularities, and publicized its actions. Even so, it persisted with plans to attract direct foreign investment and guarantee its security for the purpose of reconstructing and developing nations destroyed by conflict and catastrophe.

Hoping to project the image of an institution working directly with poor people, the World Bank organized a broad publicity campaign. The Public Information Services, created in 2003, managed access to documents and official statistics and tried to handle the flow of information to media professionals. The Services' *home page* made videos available on projects that had success in reducing poverty in several countries. Much of the narration contained the same words and expressions written in the web site texts. Some recurring themes ('mission,' 'fight,' 'aid,' 'grant') have a strong religious appeal and come from military traditions. Through a developmentalist discourse, the Bank tried to strengthen its contacts with highly significant social actors in nation-building. According to the Bank, development "requires correct economic and financial policies. However, it also needs to give people a voice, to build roads, make laws, recognize women, educate girls, get rid of corruption, protect the environment and inoculate children—and much much more."²⁵

Another Bank tactic initiated for the purpose of influencing opinion leaders in Latin American societies was the publication of the series *Development for All*. These short and educational texts on key topics in the multilateral agenda came to be distributed as inserts in major South American newspapers, above all in Colombia and Argentina. The pamphlet, *Globalization and Poverty* (IBRD, 2005) reinforced what the Bank cal-

led “the battlegrounds against poverty:” world trade, foreign investment, foreign aid, international migration and *global public goods*. The ‘goods’—peace, stability, science and technology—were considered indispensable for the security of the international community and, therefore, demanded rigid norms and special management from the *multilateral* agencies.

“Disappointed” with the increase in Latin American poverty—between 1981 and 2001, the number of poor had leapt from 36 million to 50 million—which it attributed to historical reasons and the “inability” of population groups to generate income over the long term, the World Bank (2006) suggested the adoption of “pro-poor policies,” such as for example the Brazilian *School Scholarship (Bolsa Escola)*, the Mexican *Opportunities (Oportunidades)* and the Colombian *Families in Action (Famílias em ação)* which would alleviate social inequality without changing the economic structure. Although these policies benefited some poor people, the problem of poverty persisted. The poor are neither *marginalized* nor *excluded* as the Bank usually sustains in reports, in the literature and in the press. In order to understand who the poor are and how they became poor, we have necessarily to analyse poverty in its intrinsic connection with the production of wealth.

Judging by the title of the document, *Where is the Wealth of Nations? Measuring capital in the twenty-first century* (IBRD, 2006), financed by the Swedish government and directed toward public policy decision makers, one would have thought that it would have contemplated this relationship. But its purpose was to estimate total wealth—“produced, natural and intangible (human and institutional)”—of the 120 low-income countries in the year 2000 in order to produce a baseline measure from which it would be possible to assess changes in a nation’s level and composition of wealth, a key indicator of the

sustainability of the development process. The notions upon which the exercise was based were that development was a “process of administering assets” and that it could be accomplished by way of an “improved approach” to capital and a “broader perspective” of development. The document (2006:XIX) concluded that “investments in produced capital, human capital, and governance, combined with savings efforts aimed at offsetting the depletion of natural resources, can lead to future welfare increases in developing countries.”

In fact, what the study tried to underscore was the decisive position of *natural resource capital* in a process of sustainable development in poor nations, given that in rich ones the central element was *intangible capital*: labour skills and institutional capacity. Because developing nations did not possess sufficient human and institutional capacity to manage their environment in a sustainable way, their governments needed to be pragmatic and turn to *international experience*. The World Bank's policy recommendations were rooted in a single formula based principally upon productivity increases through the intensive use of labour-saving technologies and the private appropriation of the common good, whether public or communal, such as forests, rivers, land or minerals.

Even though the Bank's involvement in environmental questions was not something new, its interest in the exploration of the Guarani Aquifer, the third largest reservoir of potable water in the world, located in the territories of Argentina, Brazil, Paraguay and Uruguay, aroused attention. Discovered by Brazilian researchers in the 1930s, the universities of the four Mercosul countries elaborated the Project for the Environmental Protection and the Sustainable Development of the Guarani Aquifer System barely sixty-four years later. From 2000, because of an alleged lack of public resources to finance studies and exe-

cute the Project, the four governments were under pressure to involve a host of bilateral and multilateral agencies. Numerous organizations were ready to give technical-administrative assistance, including UNESCO, the International Hydrological Program, the Organization of American States, the International Atomic Energy Agency, the World Wildlife Fund, the German Geological Service and the Netherlands Bank Water Programme.²⁶ The monies were to come from the Global Environmental Facility, a consortium jointly managed by the World Bank, the United Nations Development Fund and the United Nations Agency for the Environment.

The variety of interests at play and the determination to turn potable water into a commodity makes one believe that US denunciations in 2005 of terrorist cells on the tri-country border, a vital zone for the Guarani Aquifer System, were directly related to the strategic importance of the subcontinent's natural resources, not simply for the South Americans but also for the great powers and corporations. According to the International and Environmental Law Unit of the IBRD, socio-environmental norms needed to be adapted to the requirements of private investors with preference given to the energy sector. The construction of the Cellulose factory on the banks of the Uruguay River, on the Argentine—Uruguay border, should be seen in this context. The multinational project has been causing conflicts between the two countries. Argentina had been against the project, which in October 2006 received World Bank approval and whose financing came from Spanish and Finnish companies.

A beneficiary of the heightening of tensions in South America—one of the most biodiverse regions of the planet with a huge energy potential—is the United States, which always opposed regional initiatives for broadening and deepening continental

integration. These initiatives have had as one of their promoters a principal political adversary, the Bolivarian Republic of Venezuela, the world's fifth petroleum producer with 82% of the subcontinent's oil reserves.²⁷ Armed with the *Preemptive Attack* doctrine, the Bush administration confronted assumed national and continental security threats. In order to maintain its hegemony, the US did not hesitate to place countries into the *axis of evil* frame, to destabilize democratically elected governments and to support war-like operations. One recent example was the violation against Ecuador's sovereignty by the Colombian Armed Forces, which was universally condemned within the Organization of American States. In the clash for dominion over natural resources, South America could become a battle field in the *war against terror* and the World Bank will continue to be indispensable for legitimizing the Empire's strategic interests, its companies and its allies. The current President, Robert Zoellick, who had been US representative to the WTO and a negotiator of the bilateral free trade agreements in Central America, emphasized the direction of the Bank: to pursue an all-encompassing and sustainable globalization, lead by the private sector and supported by public policies.

5 CONCLUSION

The World Bank's trajectory shows how humanitarian interventions (*to save the poor*) complement US military power at the service of hegemony. In the years following World War II, the notion of development—which had origins in the decolonization process as a way of maintaining links between 'mother' countries and newly liberated ones—and the strategies to accomplish it underwent changes. Enticing nations with promises of equality if they integrated into the global capitalist sys-

tem, international aid agencies were supposed to transfer capital and technologies from *modern* states to *traditional* ones.

Initially this liberal vision of economic growth prevailed in the IBRD. The vision had been disseminated by industrialized nations and the rest of the world had to adapt to it. In the face of post-war difficulties, the Bank's resources were destined for European reconstruction and, in minor scale, for Latin American development, according to US government initiatives, respectively the Marshall Plan and the Alliance for Progress.

US defeat in the Vietnam War marked the first change in the principles followed by the World Bank. Fighting poverty became the necessary condition for the *defence of the free world*, formed by Western Europe and the United States and into which, the nations, in the main, coming out of anti-colonial struggles of Asia and Africa were to be integrated. The doctrine of *security-development* synthesized the Bank's modernizing interventions, led by Pentagon strategists and Latin American dictators and given legitimacy by the White House.

The end of the *cold war* consolidated US power. New foreign policy tendencies found resonance in World Bank directives, which embraced neo-liberal ideology. Stressing the primacy of the market in the solution of national problems, measures to minimize state participation in development gained ascendancy. Built upon US Treasury and international financial institutions' preconceptions, the Washington Consensus justified structural adjustment programmes and compensatory policies for the poor.

The third turn in World Bank thinking was rooted in the follow-up to the attack at the centre of hegemonic power. The tie between development as a process of managing assets and the Bush administration's *War on Terror* strategy was even more evident. This strategy was meant to defend US vital interests, including access to markets, to energy sources and strategic

resources. The World Bank's support for the UN Millennium development goals showed its obsession with fighting global poverty which it blended with the fight against *terrorism*.

The dualistic conception pitting *internationalism* against *nationalism* still survives in the now-fashionable terms, *multilateralism* and *unilateralism*. In academic and diplomatic circles there is little debate about global tensions outside the theoretical benchmarks established by these dualisms in which the World Bank maintains its influence. Without a change in international relations paradigms, we will never be able to understand the decisive role *multilateral* institutions play in the construction of a nation's perception of itself.

Translated by Rosemary Galli

NOTES

¹ The World Bank Group is composed of the following institutions: the International Bank of Reconstruction and Development (1944), the International Finance Corporation (1956), the International Development Association (1960), the International Centre for Settlement of Investment Disputes (1966) and the Multilateral Investment Guarantee Agency (1988). The IBRD gives technical and financial assistance to medium-income countries and credit-worthy countries, and the IDA supplies interest-free credits and grants to the poorest countries. The IFC acts exclusively with the private sector and has a different structure, staff and norms from that of the IBRD and the IDA. The ICSID arbitrates disputes between foreign capital and governments, while MIGA fosters foreign direct investments and insures them against the risks of natural disasters and conflicts.

² The US, Japan, France, the United Kingdom, Germany, China, Russia and Saudi Arabia have permanent seats on the Board of Executive Directors.

³ Going back to the Congress of Vienna (1814-1815), the Venezuelan Tomás Polanco Alcántara (2004:245) concludes that, in Bolívar's view, the defence of Independence would make obvious "the presence of [Latin] America in the world of nations," would draw attention to "the importance of [Latin] America in the new political order," and would highlight "the necessity of [Latin] American unity."

⁴ Edward Carr (2001:300), a pioneer in the field, thought it utopian to "imagine an international order built on a coalition of States, each of which was engaged in defending and stating its own interests."

⁵ See the various World Bank publications on this theme, such as *Protecting the poor during periods of adjustment* (1988); *Relatório sobre o Desenvolvimento Mundial 1990: a pobreza* (1990); *Our dream: a world free of poverty* (2000); *Globalização, crescimento e*

pobreza. A visão do Banco Mundial sobre os efeitos da globalização (2003); *Land policies for growth and poverty reduction* (2003); *Poor people's knowledge: promoting intellectual property in development countries* (2004); *World Development Report 2004: making service work for poor people* (2004); *Power, rights and poverty: concepts and connections* (2005); *Globalización y pobreza* (2005); *Redução da pobreza e crescimento: ciclos virtuosos e viciosos* (2006); *Sustainable energy: less poverty, more profits* (2007); *Science, technology and innovation: capacity building for sustainable and poverty reduction* (2008).

⁶ At the founding, the natural candidate for the job was Dexter White, Treasury Department functionary and author, with Keynes, of the reformulation of the global financial system destroyed by the crisis of the 1930s and the conflicts of the first half of the twentieth century. Accused of being a communist sympathizer, White was passed over in favour of Eugene Meyer, editor of the *Washington Post*, whose reign lasted one year (1946-1947).

⁷ According to article I of the Articles of Agreement, it falls to the IBRD: to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes; to promote private foreign investment; to promote the long-range balanced growth of international trade and the maintenance of equilibrium in balances of payments.

⁸ The UN Director between 1967 and 1974, John Stoessinger (1975:88) saw similarities in the behaviour of the USA and the USSR in their respective spheres of influence: the competition within the two blocs was almost as important as war; the great powers only risked armed intervention when a vital interest was at stake; both were motivated by economic considerations, both adopted diplomacy as an instrument of national policy and both participated in the UN.

⁹ The IBRD and IMF have complementary functions; they only make loans to states that are members of both entities and they hold annual joint meetings. In the Board of Directors, the vote is proportional to the monetary contribution of each country, the opposite of the principle of 'one nations, one vote,' that governs the UN system.

¹⁰ Political analyses of aid to the poor during McNamara's administration are found in Hayter (1971), Feder (1978) and Galli (1981). In his chapter, *La pequeña revolución verde de McNamara*, Ernest Feder discusses the 'evasive' discourse of Nairobi and the 'grandiose' programme directed, 'with almost military precision' at 100 million rural smallholder families.

¹¹ As part of its policy of "peace by force," the Reagan administration encouraged counter-revolutionary groups for the purpose of destabilizing pro-Soviet governments in Central America and Afghanistan. Moreover, along with Margaret Thatcher (the iron lady), it began a neo-liberal offensive and pressured for the end of the social-democratic pact within Europe, Canada and the United States.

¹² Some of the means of persuasion cited in his study include contracting temporary local consultants, commissioning studies from universities and research centres, help for civil society organizations, adopting cost-benefit analysis and management of information for the popular media.

¹³ See Garrison, 2000.

¹⁴ *Governance, the World Bank Experience*. Washington, 1994 e *Good governance: the IMF's role* Washington, 1997.

¹⁵ See Martins (2004 e 2006a).

¹⁶ These aspects are analyzed in more detail in Martins (2000 and 2006b) and Millán and Martins (2005).

¹⁷ The Meltzer Commission evaluated seven international bodies: the IMF, World Bank Group, Inter-American Development Bank, Asian Development Bank, African Development Bank, the World Trade Organization, and the Bank of International Settlements. The latter agency was created in 1930 to facilitate German reparations after World War I. Since the end of World War II, it promotes co-operation among the 45 central bank members. See <http://phantom-x.gsa.cmu.edu/IFIAC>.

¹⁸ The Millennium Project was a body created in July 2002 by the UN Secretary General and sponsored by UNDP to advise about the execution of the Millennium Development Objectives. Composed of ten teams called "task forces," its financial resources come from the UN, governments and private foundations

¹⁹ See Noam Chomsky (2003:11).

²⁰ The agreement known as the Afghanistan Compact was celebrated in February 2006 at the London conference where Kofi Annan, then UN secretary general, Paul Wolfowitz, then World Bank president, Tony Blair, then UK prime minister and Harmid Karzai, president elect of Afghanistan, participated. Peter Middlebrook, Sharon Miller. See <http://fpif.org/fpifxt/3093>.

²¹ The ideology of a political group, which, since the end of the Cold War, has been responsible for neo-liberal reforms and for unilateralism in US foreign policy. The *neo-conservatives* are allied to the Religious Right, held growing power in the Republican Party and occupied important positions in the Bush administration.

²² *The Economist*, 12-18 October 1991. At the time, the fifteen most indebted countries in the world were Argentina, Bolívia, Brazil, Chile, Colômbia, Ivory Coast, Ecuador, the Philippines, México, Morocco, Nigéria, Peru, Uruguay, Venezuela and the then Yugoslávia.

²³ In the World Bank's view, India should tend little towards nationalist demonstrations. In 2004, the Indian civil society organizations took an unusual attitude and rejected the proposal of a World Bank loan. They thought that the national sovereignty and popular opinion expressed in the May elections had been disrespected by international institutions. The absence of Parliamentary approval was one of the central arguments for refusing the *Country Assistance Strategy 2005-2008*. Intercultural Resources and Environment Support Group (2007).

²⁴ The cited networks are *ATTAC* (Associação por uma Taxa às Transações Financeiras Especulativas para Ajuda aos Cidadãos), "Campanha pela Reforma do Banco Mundial," *50 Years is enough* and Rede Brasil sobre Instituições Financeiras Multilaterais. *Le Monde Diplomatique* (2000) has a collection of articles on the World Bank which show the trends in European thinking.

²⁵ Excerpt from http://www.obancomundial.org/index.php/content/view_folder/599.html

²⁶ *Le Monde Diplomatique*. VII, no. 74. August 2005, pgs. 16-18.

²⁷ *Oil and Gas Journal*, 24/03/08.
