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The World Bank

A qualitative content analysis of anti-corruption
strategies 1997 – 2006

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Abstract

The World Bank is a large organization that has been an influential actor in world politics for decades. The foundation of the work in the World Bank was stipulated in the Articles of Agreement, negotiated in 1944, which concluded that the purpose of the Bank was to finance postwar reconstruction and investment in developing countries.

The purpose of this study is to examine how the problem of corruption is framed in the anti-corruption strategies produced by the World Bank, since corruption has received a growing interest from the World Bank, as well as the world in general during the last decade. This essay will analyze how the World Bank create and use their knowledge regarding corruption. This will be performed by studying how the anti-corruption strategies of the World Bank have evolved from the 1997 Publication "*Helping Countries Combat Corruption: A World Bank Strategy*" the revised governance strategy publication "*Reforming Public Institutions and Strengthening Governance: A World Bank Strategy*" from 2000, followed by the latest strategy paper "*Strengthening World Bank Group Engagement on Governance and Anti-Corruption*" published in the year of 2006.

The hypothesis and theory that the analysis is built upon is of a social-constructive nature, and the policy documents will be analyzed through the theory and method of claims-making, which highlights how power asymmetries and collective identity claims is used to give certain claims validity. The study will also look for the possible existence of a political bias, which often willingly or unwillingly shapes the views of individuals as well as organization.

The results showed that there has only been a small change in working methods within the anti-corruption unit at the World Bank during the last ten years, despite significant scholarly criticism against the suggested strategies and despite poor results. The aspects the strategies had been changed in did however indicate a possibility that it has followed a politicized general western/northern trend of liberalization which has become the norm for how economic reforms should be stipulated.

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1. Introduction

The strive towards reducing poverty has been an ongoing process for several decades with many prominent organizations taking this honorable task as their main goal. Corruption has often been linked to poverty and dysfunctional states, and transnational organizations such as the United Nations (UN), the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF) and the World Bank has had and often still has an influential part in the work of improving the situation in problematic areas.

The World Bank, which is the organization that is the subject of analysis in this study, has during the last two decades been putting a growing emphasis on the connection between poverty and corruption in their policy making. This is a trend not only seen within the World Bank. In the past decades there has been a noticeable shift in the treatment of corruption on both academic and policy front¹. As globalization has increased and crime that previously was performed on a local basis has increasingly become a transnational priority, and corruption as a topic of discussion has gained importance and attention in the debate among world leaders. International organizations, including the UN, IMF and the World Bank have adopted conventions requiring that their member states enact laws prohibiting bribery and extortion². All these three organizations seem to have come to a conclusion where the sources of the problem with corruption primarily is seen stemming from closed markets, poor insight in decision making and poor governmentality. Corruption is mainly understood as caused by political systems that lack institutional transparency as well as procedures of the formal and ideal system of democratic governance.³ Corruption appears in many shapes, and it often causes the most damage in poor and vulnerable societies, which can not find their way out of the corrupt practices on their own. In order to improve the situation, several of the international organizations have decided to shoulder the responsibility to draw anti-corruption strategies, and there seems to be a need for these influential actors to engage in curbing the problem when countries does not have the capability of doing it on their own.

Despite a will to do good and a common goal shared by many, there is still a great value in critically observing the work of such international organizations as mentioned above. By determining how they create, interpret, diffuse and act upon knowledge we can begin to explain why and how they

¹ Williams and Beare (1999) p. 1

² Heineman and Heineman (2006) p.1

³ Andvig *et al.* (2001) p. 38

influence the world.⁴ It lies upon scholars both within and outside the organizations to investigate the outcomes of the work of such broad and influential actors. The results of such a study can either confirm a successful strategy, and further polish the methods, or it might show that the cost is large but the gain is little or the strategy being even counter-productive, which are all results that should be valuable for the organizations to know about in the long run. It can also highlight biased values and modus operandi within the organizations that not necessarily are of a strict negative nature, but if acknowledged can make the routines rationalized and made more productive.

1.1. Disposition

In the introductory section I will introduce the reader to some of the different definitions and types of corruption. Furthermore I will present the World Bank which is the organization chosen for the study, followed by the purpose and question I will try to answer with this essay. The theory section will discuss the social constructionist position that this study is based upon and will be further described in the methods section. The results section will show a number of key claims from the anti-corruption documents provided by The World Bank which is the organization of interest in my study, which fields the Bank puts emphasis on in their preventive work, comparing the old and newer strategies and how they might differ. The following discussion will then present an analysis of how the strategies have evolved during the chosen time period and the discussion of the anti-corruption work throughout this period of time.

1.2. Corruption – a multifaceted phenomena

A relevant question to ask before deciding how to combat corruption, is 'what is corruption?' This might seem obvious but the answer to the question is not as obvious as the being of the question itself. On a transnational level, one would think it is profitable to unite around one definition or description of a problem, in order to produce effective solutions that merges and through this become more powerful. As mentioned earlier however, there are many ways to describe the problem of corruption and a commonly accepted definition does not exist.⁵ I will try to make the picture a bit more clear in this section, even though I do not have either the aspiration nor the capacity to cover the large diversity of terms used in the debate.

Corruption is usually divided into a social and an economic division. A more strict definition is the one referring to economic corruption, which takes place in a market-like situation and entails an

⁴ C Weaver (2008) p.3

⁵ Kronqvist, C., Runesson, H., Sörgård, J. (1997) p. 8

exchange of cash or material goods. Social corruption is conventionally understood as an integrated element of clientelism, which has a wider cultural and social implication than pure exchange of material benefits.⁶ Since the definition of the term 'corruption' itself is complicated and referring to so many different acts, the task set up for the anti-corruption agencies meets several difficulties. One common definition of corruption, used by many of the biggest actors in the anti-corruption arena, including the renowned international NGO Transparency International (an international non-governmental organization), is the "misuse of entrusted power for private gain".⁷

When discussing corruption it is usually further divided into different levels. 'Petty' or bureaucratic corruption refers to the everyday corruption that takes place where the public officials meet the public.⁸ It is sometimes also referred to as 'street level' corruption since it is the form of corruption that people encounter in their daily lives. The amount of money changing hands in this case is usually substantially lower than in 'grand' or political corruption where large sums of money are taken from the public purse⁹ by state officials to bribe other governments or private corporation. These numerous types of corruption create a wide range of different preventive measures depending on what type of corruption that is the target of the crime prevention. With this variety it becomes very important to review what measures are effective and how they work. Is the legalistic strategy with rules and sanctions a firsthand choice, or should the emphasis be on other incentives such as economic, social or political benefits? It is also important to be open about the agendas of the suggested actions. Why are certain methods promoted, by whom, and for what cause? In order to not worsen the situation in areas with already bad experiences of governance it is very important that organizations who work against corruption are perceptive and dependable and that their global governance agenda does not infuse further distrust.

1.3. International organizations and NGO's

There are numerous organizations throughout the world that have anti-corruption measures on their agenda. Most of them have an overall humanitarian focus with the aim of reducing poverty and helping undeveloped countries transform into a more humanitarian state. Even though my study is limited to the World Bank only, they work side by side influenced and influencing many other significant actors in the anti-corruption business and does not set the agenda on their own. There are

⁶ Andvig *et.al.* (2001) p. 6

⁷ [Http://www.transparency.org/news_room/faq/corruption_faq](http://www.transparency.org/news_room/faq/corruption_faq) Accessed 12/5 2009

⁸ <http://www.u4.no/helpdesk/helpdesk/queries/query72.cfm> Accessed 12/5 2009

⁹ <http://www.u4.no/helpdesk/helpdesk/queries/query72.cfm> Accessed 12/5 2009

numerous types of NGO's that the Bank has elaborate co-operations with, which all ranges in size and shape from strictly local organizations to world-known global, and in the efforts made to curb corruption a majority of them cooperate on many levels, including economic assistance work shops involving civil society and journalist trainings. The impact and influence that large organizations such as the UN, the IMF or the World Bank have in this cooperation is however supposedly significant. The choice of organization for this study was first and foremost based upon the role and impact they have on the world agenda of corruption. This because I wanted to highlight the themes supported by the very most influential parties when it comes to defining the fight against corruption and its priorities, and their role in the corruption discourse. Secondly, I wanted the organization to have a clear and significant economic branch in their organizations at their disposal, like the IMF and the World Bank have, in addition to the strategy papers. This since that sort of incentive gives an additional and possibly different incentive for addressed cooperators than recommendations and working strategies alone, such as provided by organizations like Transparency International and the UN. Finally I was limited in my choice of organizations by the supply of material provided on the organizations' websites, where I gave priority to organizations with a good supply of additional documents regarding the background(s) and with comments to the later implemented conventions and strategies. The organization that I chose was the World Bank and I will give a short presentation of their anti-corruption work.

1.4. The World Bank

The original idea behind the work of the World Bank was stipulated in the Articles of Agreement, negotiated in 1944. The purpose of the Bank was to finance postwar reconstruction and investment in developing countries. Two sets of safeguards were conceived to prevent economically unsound loans that possibly could be made to advance national-political agendas, and one of them were the Article III, which explicitly prohibit the Bank from making lending decisions on any but economic criteria and from interfering in the political affairs of members.¹⁰ This Article III was later going to be debated within the World Bank as it has come to have a significant impact on the working strategies applied for corruption. Today the World Bank Group consists of five different organizations; the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement

¹⁰ M.A Thomas (2007) p. 731

of Investment Disputes (ICSID). And has a total number of 186 member countries¹¹, and has predominantly striven towards a main goal of creating a 'world free of poverty'.¹² Since the World Bank nowadays identifies corruption as one of the greatest obstacles to economic and social development, the work against corruption is one of their major interests in order to succeed in their mission to reduce poverty.¹³ Corruption is described by the World Bank as to involve 'the abuse of power for private gain'¹⁴ which very much resembles the previously mentioned definition ('misuse of entrusted power for private gain') used by other large organizations that are conducive in the anti-corruption field, such as the leading global coalition against corruption Transparency International. The cooperation with this kind of similarly influential partners has an important role in the formation of the Bank's values, since the development of theories and policies of the Bank do not appear out of thin air. Even though this study has a focus on the World Bank alone it is important to recognize the continuous flux in approaches and priorities in regard to the development of and cooperation between the organization and their partners that has existed ever since the creation of the Bank in 1945.

The World Bank has been criticized for their (allegedly) ineffective anti-corruption efforts, as will be presented in the Previous Research-section, but they have also themselves partially acknowledged the standstill their results of their efforts have been suffering from recently, despite more than half a century of working towards poverty reduction as well as the more recent decade's focus on preventing corruption. Problems such as lack of transparency, lack of accountability, excessive intervention, lack of delegation, and poor results on the ground are still reported to be commonplace despite the continuous efforts to improve governance,¹⁵ problems that all contribute to arbitrariness, corruption, and poverty. How to deal with this slow, sometimes nonexistent progress has been an issue for the World Bank throughout the period in this study as well.

1.5. Aim and research question

The aim of this study is to investigate how the problem of corruption is framed in the anti-corruption strategies produced by the World Bank and how the strategies have evolved during the last decade. How they define and construct the problem of corruption in order to be able to argue for certain preventive efforts. In order to understand the construction process of any behavior that is

¹¹ <http://go.worldbank.org/3QT2P1GNH0> Accessed 14 June 2010

¹² World Bank Group (2007)

¹³ [Http://go.worldbank.org/K6AEEPROC0](http://go.worldbank.org/K6AEEPROC0) Accessed 29 Dec 2009

¹⁴ World Bank (2007b) p. 1

¹⁵ World Bank (2000) p. 22

not accepted in society one must ask why certain deviant behaviors become matters of public concern in the first place? How do organizations such as the World Bank frame issues to capture public attention and promote change, and how does this kind of institutional actor establish claims that move their interests forward? These are questions which the theory of claims-making, the theory applied in this study which is further described in the theory section, tries to answer.

The research questions for this study are:

- How has the anti-corruption strategies of the World Bank evolved from their origin in 1997 to the most recent policy?
- Is there possibly any political bias behind the strategies despite the official non-political stance from the World Bank?

This essay will analyze how the World Bank create and use their knowledge in the topic of corruption by studying how their anti-corruption strategies have evolved from the 1997 Publication 'Helping Countries Combat Corruption: A World Bank Strategy', the revised governance strategy publication 'Reforming Public Institutions and Strengthening Governance: A World Bank Strategy' from 2000, followed by the latest strategy paper 'Strengthening World Bank Group Engagement on Governance and Anti-Corruption' from 2006. What I will study is the World Bank anti-corruption strategy and governance agenda in theory, with a focus on the social construction in their use of language as a communication of values to the recipients. This is why I choose to study policy documents, which are strongly promoted publications from the World Bank communicating their official stance in the corruption issue, documents which continuously are being used and referred to by governments, researchers and media worldwide trying to combat this intricate problem.

2. Previous Research

When searching for previous research performed in this topic I used the terms 'World Bank', 'anti-corruption' (including variations such as anti corruption and anticorruption since it is spelled differently by different scholars and organizations), 'strategy', 'NGO', 'policy' and 'governance'. The search was performed on websites and databases such as Google Scholar (scholar.google.com), Google (www.google.com), JSTOR (www.jstor.org) and Elsevier (www.elsevier.com). I chose not to include research done by the World Bank itself even though they have performed a large amount of research which is available from their website, to evaluate their anti-corruption measures. I do not question their performance as scholars in general, but I did not see the evaluations done by their own staff as suitable for this analysis because of the possible bias that kind of relation could spur in

some cases. I chose to emphasize the following topics within the anti-corruption research because they dominated in the research performed by scholars who analyzed the World Bank specifically and not only NGO's in general, as there is much research performed on corruption and its possible preventive measures in general.

2.1. A gap between theory and practice within the World Bank

Professor Catherine Weaver is a scholar who has performed extensive research on the anti-corruption work of the World Bank. Her conclusion is that the ideas and practices which are produced in the Bank is neither solely driven from the outside or a distinct reflection of the Bank's hierarchical culture or research,¹⁶ but rather from a more one-sided view on the effects of and opportunities that the market can give. In her book 'Hypocrisy Trap: the World Bank and the poverty of reform' she describes how this organizational 'hypocrisy' emerges through 'mainstreaming gaps' that occurs when the World Bank claims to be committed to issues such as sustainable development and good governance, but does not suffice to engage in these values into practices.¹⁷ As an example of the reluctance to take on measures that could curb corruption but that is possibly against their ideological agenda, the so-called 'East Asian Miracle' is mentioned. She concludes that despite the Bank's rather liberal interpretation of the causes of the region's boom, the report on the East Asian Miracle published by the World Bank in 1994 did admit that the authoritarian state (the total opposite to all recommendations expressed by the Bank) did in this case play a positive role in ensuring a 'market-friendly environment' for foreign investment and export-led growth.¹⁸ This did however not seem to be considered in the emerging anti-corruption policies published by the World Bank at that time. The Public Sector Group of the World Bank itself, headed by Robert Wade, published an additional report in 1996 ('Japan, the World Bank, and the Art of Paradigm Maintenance') with a similar conclusion as the 1994 report but with little influence on the World Bank anti-corruption agenda as a whole. This clash between the Public Sector Group, and the World Bank Group responsible for the anti-corruption and governance strategies points at the indifferences that exist within such a large organization such as the World Bank is also emphasized by Weaver as an important aspect to keep in mind when studying this kind of policymakers and their official documents.

¹⁶ C Weaver (2008) p. 4

¹⁷ C Weaver (2008) p. 20

¹⁸ C Weaver (2005) p. 18

2.2. Limitations of the general approach towards corruption

In a study of the World Bank strategies on corruption and governance, and their limitations, Mushtaq Khan describes how the World Bank has moved towards a stronger emphasis on governance since the 1997 strategy paper, but that their strategies still are based on a perception of economic development where success is driven by efficient markets supported by non-interventionist states. This theoretical perception is not based on the historical evidence of late-developers which are the kind of states that usually are the main addressees for the policies, again an example of not taking in the experiences of the Asian examples. As a result of this negligence the prescriptions that the World Bank offers regarding the desired features that the addressed state should aspire for as far as developmental functions and governance is concerned, is not necessarily appropriate for most developing countries,¹⁹ again; the main addressees that the Bank claims to have for their policies. He also questions the kind of causal links that the Bank draws between corruption and poverty and claims that there have been no successful examples where reduced corruption has come first, and that this then has reduced poverty as a result²⁰. On the contrary to the Bank's promoted strategies of free market and capitalist development evidence from South Korea in the sixties to China today show that corruption was rife during the period of early capitalist development but that the level of corruption was lowered only after a period economic success. However, he emphasizes that even though international agencies are not necessarily wrong in their support of greater civil society participation in developing countries as an end in itself, but that it is wrong to raise expectations that this in itself necessarily improve the quality of governance or reduce corruption.²¹

2.3. A trend towards a more politicized World Bank

An article by Heather Marquette argues that the World Bank has been forced to move away from their original non-political stance in order to adopt the fight against corruption to the World Bank agenda. This therefore has led to the Bank gradually slipping away from a previous non-political approach towards now becoming overtly political.²² The existence of Article III as a cornerstone of the work in the World Bank eventuated the need to frame the issue of corruption as a strictly economic and social issue rather than a political one. But the Bank has despite this moved closer and closer towards the political role of working on fostering democratization movements, under the

¹⁹ M Khan (2002) p. 2

²⁰ M Khan (2002) p. 7

²¹ M Khan (2002) p. 20

²² H Marquette (2004) p. 413

rubric of its governance and anti-corruption programs.²³ Whether any economic or social issues can be separated from political agendas is doubtful and Marquette argues that many scholars see the Bank's non-political stance as a myth. Several have argued that economic lending to especially developing nations, which is one of the main tools of the World Bank is inherently political, especially because of the influence of powerful members, which historically has been the US first and foremost.²⁴ However, it might not be very likely for the World Bank policies to be able to make a difference if not at least slightly politicized, since it is within world politics and states that many important allies are formed and that later shape the world politics regarding the very same economic and social issues that the World Bank wants to address. The author questions the capacity to address as many issues as the Bank does – civil society, institution-building, free media, judicial reform, community empowerment etc. in a purely economic manner, and points to that this mind-set excludes considerations of, for example, power structures, class and ethnic divisions.²⁵

2.4. Liberal globalization as a norm

Scholar Michael Goldman takes an actor's approach in his study of tracing the 'routes and roots' of the World Bank power. According to his study there has been a normalization of a neo-liberal globalization, which had been led by the World Bank but whose hegemony now has started to be questioned.²⁶ Also, he describes the structures of the World Bank and their use of power as what he calls a continuation of a colonizing approach and a continued divide between North-South relations. This approach can be found in fiscal responsibility, governance, sustainable development, and in the strive towards getting to the 'root causes' of poverty pursued by the World Bank, where this development towards a mission of democratization and governance through structural adjustment became an opportunity for transnational elites to re-imagine the basic architecture of Southern societies and North-South relations.²⁷

2.5. The impact of Wolfowitz's presidency on the anti-corruption approach

Several changes in the World Bank's attitude towards anti-corruption strategies were made during the recent years of the controversial President Robert Wolfowitz's (2005-2007). During this period, restrictions for countries who borrowed money from the World Bank were toughened and the countries who could not show good enough results in their work in restructuring governance were at

²³ H Marquette (2004) p. 415

²⁴ H Marquette (2004) p. 416

²⁵ H Marquette (2004) p. 422

²⁶ Goldman (2005) p. 19

²⁷ Goldman (2005) p. 23

risk of losing further financial support from the World Bank. At the same time, the Bank's new strategy to a larger extent acknowledged that change in governments with systemic corruption is likely to be slow, something that western political constituencies are likely to be very uncomfortable with since it could be interpreted as an acceptance of offensive behaviour.²⁸ The Bank was facing the dilemma of hoping to work with neo-patrimonial governments without getting close to them, but at the same time not be seen as to be close to them without suffering a public relations backlash.²⁹ The article also shows the difficulties of measuring any possible progress with the previous strategies. The Bank's evaluation unit reports that the World Bank's public sector governance projects are more successful than the average for all the projects that the Bank undertakes. However, the sustainability of the success is not considered in evaluating project outcome and it is therefore still not clear what good comes from unsustainable improvements in institutions and governance.³⁰

3. Theory

This study will focus specifically on the written strategy documents of the World Bank and what they communicate to cooperation organizations, states and society as a whole. I chose the following theoretical perspectives because they are suitable for a qualitative content analysis and the claims-making theory specifically because it is used to analyze the written word and how actors in a certain discourse present their motives and construct an image of a certain issue.

3.1. Social-constructionism

The analysis of the World Bank's anti-corruption policies in this study has a social-constructionist foundation, which is an opposite theory to the objectivist definitions of social problems which claim that there are certain objective social conditions making up the essence of social problems.³¹ A social-constructionist approach on the other hand, argues that this core, or essence of a socially unwanted behavior is not solely prevailing or free from human values when defined as socially unwanted or not, and that this judgment often is of a rather subjective nature. Different social behaviors have throughout history been criminalized and decriminalized, been frowned upon and accepted in interaction with changes in the political and public society as a whole. The focus on the judgment of the unwanted behavior, in the case of this study; the judgment put forth by the World

²⁸ M.A Thomas (2007) p. 744

²⁹ M.A Thomas (2007) p. 744

³⁰ M.A Thomas (2007) p. 738

³¹ Best (1995) p. 3

Bank on how to interpret and react to corruption is central in the analysis of the anti-corruption strategies included in this study, and not a definition of any kind of objective nature of the action of corruption itself. Even though some sort of objective aspect of corruption as a crime, such as the exchange of illicit money or unjust access to influential positions can be agreed upon globally as some sort of basis for corruption as a crime, that according to social-constructionism only can be a part of a entirety. But the context in which these 'objectives' are seen as criminal or not differ throughout the world and is under the influence of subjective judgments. These subjective judgments are therefore one part of defining social problems and this aspect was chosen for this study because it is a part that is sometimes is overlooked yet important to be aware of. In order to get a deeper look into the subjective nature of texts it is convenient to use a qualitative content analysis like the one that will be described further in this theory and also the methods section.

The theoretical foundation for my qualitative content analysis is social-constructionist, with a specific focus on claims-making activities, in order to be able to point out the subjective character in the definition of a social problem such as corruption. Sociologist Joel Best presents two flaws in the opposing, strict objectivist definitions of problems that is abundant in scientific research but is insufficient as a sole factor for social science. First, he points out that the objectivist definition 'minimizes or even ignore the subjective nature of social problems'³². Since not all harmful behaviors are considered social problems there is clearly a subjective estimation involved in the evolution of social problems. Secondly, the objective conditions defined as social problems have relatively little in common,³³ which makes the objectivist interpretation of problems deficient when defining social problems, such as the occurrence of corruption. Even though most people might agree upon the bare statement that corruption is a negative element in societies, the definition, nature of it, possibility of ever curbing its existence and amount of efforts that should be taken in order to prevent it, varies globally.

3.2. Claims-making

The theory of claims-making emphasizes the role that subjective judgments have in defining and constructing social problems. Claims-making is an act of communication where a claims-maker wants to convince others that X is a social problem and that Y offer the solution.³⁴ The names claims-makers give a problem can reflect their stances toward it and it unavoidably becomes a

³² Best (1995) p. 4

³³ Best (1995) p. 5

³⁴ Best (1995) p. 13

choice of focus on particular aspects of the condition.³⁵ Depending on the agenda, different claim-makers address different audiences:

*“Some hope to identify and organize the people directly harmed by the conditions described in their claims; others try to educate the general public; and still others approach the policymakers who can do something about the conditions”*³⁶

Furthermore, claims are seen as normative phenomena, often statements about conditions that should not exist and where something ought to be done to improve these conditions.³⁷ By creating an image of corruption, describing its features and reasons why this condition should not exist, the World Bank in their influential role shapes the phenomena of corruption as well as what is to be seen as proper anti-corruption measures. The kinds of claims expressed by a group of people such as the World Bank are called collective identity claims. These involve four key attributes: power, interests, values and motives,³⁸ where all of these aspects are included in the construction of policies such as the ones promoted by the World Bank. As for the first of the key attributes, the power, it is inevitable to create a certain amount of power asymmetry, since the Bank has a strong position in their claims in regard to the borrowers of loans at the receiving end. Also, despite the original aim to be a non-political actor in regard to economic assistance throughout the world, the interests, values and motives within the organization, regardless of its nature has by many, such as the previous research section has show, been interpreted into some form of political agenda. Despite a historical revulsion against the existence of such an agenda, research has indicated that such an agenda exists nevertheless, and is increasing its presence as financial issues are added to their agenda.

4. Method

4.1. Claims-making as a methodological approach

In my study I will examine three strategy papers produced and published by the World Bank by analyzing the roles of the World Bank as a claims-maker in the corruption debate. Primarily what the World Bank claim in their strategy papers is how the problem of corruption is constructed, its repercussions and the reasons for international intervention in this kind of crime prevention, as well as their opinion on effective ways of fighting corruption. When breaking down the claims made in

³⁵ Best (1995) p. 8

³⁶ Best (1995) p. 13

³⁷ Spector and Kitsuse (2001) p. 86

³⁸ Best (1995) p. 83

the strategy papers, I will study the following aspects of the claims being made:

- The addressee of the claim. At whom is the claim directed?
- The issue of the claim, what is the claim about?
- The object actor: who would be affected by the claim if it were realized, for/against whom is it made?
- Their justification for the claim, why should this action be undertaken?

These are four aspects of a total of seven³⁹ which can be used in claims-making research. I chose to focus on these four because I considered the remaining three not adding much value to the study and a focus on these four would minimize the scattered impression that too many elements otherwise could give. The three excluded were 'how is the claim inserted in the public sphere?' which is the same for all my sources, the claims are presented for the public in the shape of written strategy papers presented and promoted by the World Bank. Since this study has a focus on three rather large documents instead of many smaller publications the aspect of 'When and where the claim is made?' did not add much to the analysis, since the dates were only three and a relation further to parallel contemporary discussions in society that might have shaped them is not being made in this study. The last one, 'Actor, Who makes the claim?' has the same actor (the World Bank) group in all three cases and therefore does not vary in this study. There are several different ways to perform a claims-making analysis and I have chosen to look at ideology vs. interests and how they interact with each other. Public issues can be emphasized or forgotten depending on the claims-maker's ability to mobilize an audience on this very basis.⁴⁰ When the two factors coincide, claims of such nature that reveal both ideology and interest of the World Bank will be brought forward, while possible claims that lack any of these two will not be promoted in the same way.

By making claims, collective actors (such as the World Bank in this case) also strategically attempt to make their political demands appear more publicly rational and legitimate than those of their opponents, as where opponents could be states unwilling or hesitating to cooperate with the Bank, or rivaling organizations with other views on how to best curb the problem of corruption.⁴¹ The World Bank as a reputable organization can with their claim of knowledge and experience legitimize actions that also have a strategic focus on bringing forth policies that are profitable for

³⁹ Statham (2005) p. 14

⁴⁰ S Bockman (1991) p. 464

⁴¹ P Statham (2005) p. 12

the organization or their leaders just as for the main recipients of the strategy.

4.2. Validity and reliability

Internal validity is compliance between the observations made by the researcher and the theoretical ideas that he or she generates.⁴² This is one of the strengths in qualitative research, because more time is focused on the specific research object when there is a limited number of them. External validity on the other hand is one of the weaknesses of qualitative research, since the narrow selection of research material limits the possibility to generalize the result of the research to the field of research as a whole. Qualitative and quantitative methods are often alternated in social science research⁴³ and in this study the above mentioned claims-making aspects were used as a structure for the analysis in order to make enhance the external reliability, which is important if a study is to be replicated⁴⁴. This is often hard to do in qualitative research and makes the transparency in methodological perspectives very important. The reason I chose the methods used in this kind of study of World Bank policy documents is because the qualitative method makes it more probable to reach the goal of finding a possible underlying agenda or frame of mind, rather than a quantitative content analysis such as a pure count of the occurrence of certain words or phrases. Because of the thorough nature of qualitative research the selection of research objects has to be few, especially in this case since the documents were of an extensive kind. This is a problem because it makes it difficult to generalize the results of this research to similar situations other than this very specific case.⁴⁵

4.3. Material, selection process and limitations

The objects of study in this analysis are three comprehensive strategy documents from three years, 1997, 2000 and 2006. I have chosen these three documents because they are the main strategy documents that addresses the fairly recently awakened issue of corruption within the World Bank. In Figure 1 (see p. 18) an overview of the anti-corruption efforts throughout the recent history of the World Bank is presented, although the latest of the strategy documents (from 2006) is not included (the overview reaches from the so-called 'Prohibition Era' starting in 1996 and ends in the year of 2006 before the last document was published). Still I believe it is important to show that a vast number of smaller reports, surveys, updates etc. are continuously being produced by the World Bank and all contribute to the claims-making process shaping their anti-corruption measures.

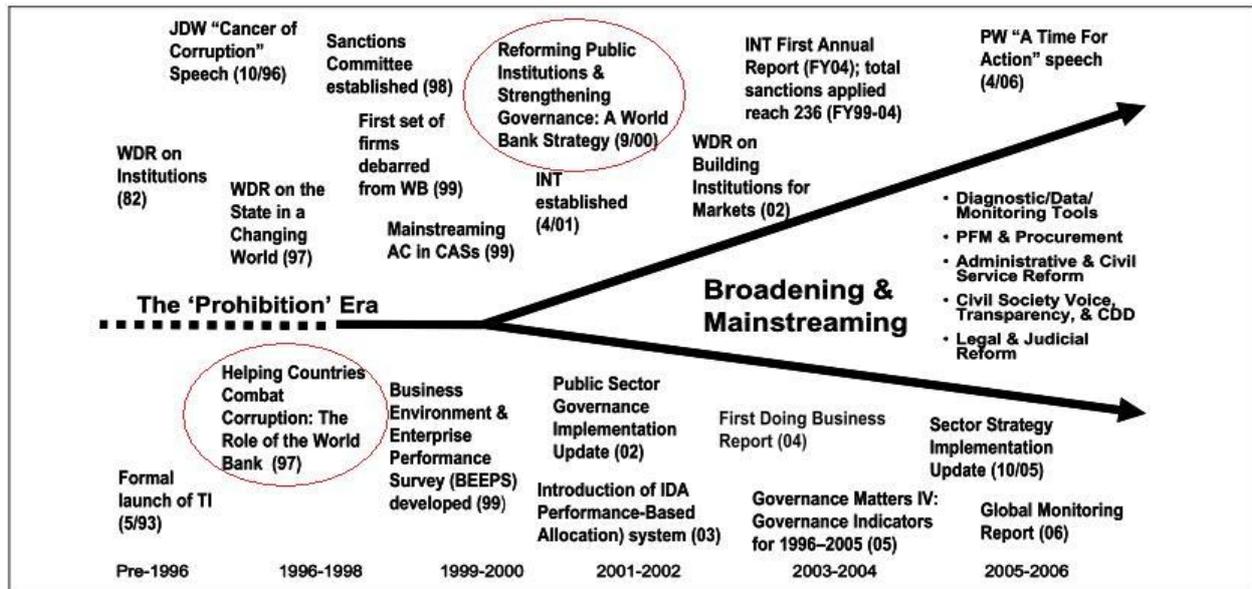
42 A Bryman (2002) p. 257

43 S Kvale (1997) p. 69

44 A Bryman (2002) p. 257

45 A Bryman (2002) p. 258

Figure 1. Milestones in governance and anti-corruption at the World Bank⁴⁶



These policy documents issued by the World Bank have been published as top-down vertical claims-making made by the World Bank institutions, on national actors to implement changes in their country governance policies. There are a number of limitations in using this kind of official policy documents when trying to analyze the organization as a whole. It is important to keep in mind that these official documents might not mirror the opinions of the entire organization (since it is only collective claims, which differ from individual claims). It is probable that these documents have been preceded by lengthy discussions and evolved largely as compromises between the different offices within the organizational structure. But the strategy documents are however the official view promoted towards states and civil society and because of the impact they might have on the corruption discourse it is still valuable to evaluate them for the sake of the organization as well as to the many people they are directed at who are affected by these policies. Also, the researcher has a large part in creating the outcome of the analysis by choosing what to focus on within the policy documents, especially in a qualitative research method like the one pursued here.

5. Results

In this section I will first present the three objects of study and then how the claims have been made within the separate strategies. I will then make a comparison in regard to whether they have changed over the years in any of the four aspects I chose to focus on in this study (in

⁴⁶ World Bank (2006) Annex A

***regard to addressee, issue, actor and justification for the claim).*5.1.**

Helping Countries Combat Corruption: The Role of the World Bank - 1997

The main *addressees* of the strategy are the local governments in the member states but also other important actors in society. “*Governments as well as people outside the governments, such as parliamentarians, civil society, households, the private sector, and the media are important in the fight against corruption*”.⁴⁷ The strategy points out that any reform programs implemented by the help of the World Bank however need to be driven from within the affected countries,⁴⁸ in order to have any significant effect.

As for the *actors* that are affected by the claims, they are ultimately the whole society, since the strategy has a clear goal of poverty reduction through growth. But the direct actors are first and foremost the governments (same as addressees), which are addressed through actions such as country lending and policy dialogue.⁴⁹ Even though it is a strategy directed towards many countries at once regardless of their differences it is however made sure that the strategy is not a one-size-fits-all kind of model. According to the Bank the response against corruption will be tailored to the type and extent of corruption being addressed in that specific country.⁵⁰

The *issue* of the claim in the policies is obviously corruption and anti-corruption measures. What becomes interesting is to see how this issue is framed in the different strategies. The issue of corruption in the 1997 strategy paper is seen as to be addressed by the World Bank “*as an economic concern, without possibility to direct political influence on governments and civil society*”.⁵¹ This might be a heritage from the original goal to stay politically neutral, which would eliminate a possible ideology.

Furthermore the Bank strategy of 1997 aims to be about helping countries address corruption but not to eliminate corruption completely, since this is seen as an unrealistic aim. Even though many addressees were mentioned in regard to who's responsible for taking actual action (with the help of these strategy recommendations), the governments seems to be the strongest addressee throughout the paper. An environment of well-performing government is seen as one of (or even the major) key player in order to minimize corruption's negative effect on development. Since there is an obvious

⁴⁷ World Bank (1997) p. 26

⁴⁸ World Bank (1997) p. 25

⁴⁹ World Bank (1997) p. 26

⁵⁰ World Bank (1997) p. 4

⁵¹ World Bank (1997) p. 25

lack of interest to focus on companies being involved in corruption the neutral stance seems to not be as prevalent as the organization wishes it to be.

Additionally, a local reform strategy for each country is promoted. However, it seems like even though the World Bank claims that economic policy reforms should be the priority in only some cases but not all, any alternative methods presented in the strategy still is ultimately connected to economic policies:

*“In some countries, economic policy reform will be the priority. In others the immediate need may be targeted interventions in tax or customs agencies, or procurement reform. Circumstances will also determine whether the strategy should be comprehensive or incremental. Comprehensive strategies can be developed where national leadership is committed to change and the political will exists to undertake in-depth economic and institutional reforms. Opportunities for in-depth reform may exist at the local level or in particular agencies or departments even if those opportunities are missing at the national level. In some cases there may be more political will for economic policy reform than for in-depth work at the institutional level. And even when the possibility for economic policy reform is limited, there may still be scope for activities, such as public education or dialogue with leaders in government and civil society, that can lay the foundation for more substantial action later.”*⁵²

With the nature of the more substantial action at a later stage left unspecified it still is presented as the odd one out of the reforms, with the economic reforms on the other levels as the most important ones. This might not be surprising since corruption is closely tied to financial issues but the strong focus of this as a comprising part of all levels of reform shows a certain direction of interest. The specific nature of the economic policy that is discussed first and foremost is privatization. Latin America as well as a number of East Asian countries serves as an example of economies that are now more open to market economy and where *“policymakers recognize the challenges and opportunities of the global economy and the need for a change in the role of the state”*.⁵³

The *justification* for the interventions promoted by the World Bank is to help poor and undeveloped countries to a better economic position, a justification that hardly can be questioned by many. The problem with corruption in such poor countries, such as on the African continent is related to their,

⁵² World Bank (1997) p. 26

⁵³ World Bank (1997) p. 27

however significantly smaller, private markets and the informal rules through which they relate to the governments. The role for the Bank in these situations is said to be to help build capacity and through aid, shape and maintain the existing state.⁵⁴ To use such a solid justification for the suggested action makes it complicate for any opponent to question the Bank's claims without a clear alternative with just as good or better justifications.

This connection drawn between a small private market and the large (ineffective) state apparatus justifies the kind of strategy that is presented in this document. Deregulation and the expansion of markets is said to be powerful tools for controlling corruption, and the Bank means to continue to encourage governments to pursue these goals wherever feasible. This because markets strengthen competitive forces in the economy and curtails rents and thereby eliminate the chances of bribing public officials.

5.2. Reforming Public Institutions and Strengthening Governance: A World Bank Strategy - 2000

In this governance policy document, published three years after the first anti-corruption strategy paper, the *issue* of corruption is described additionally also as “*a fundamental symptom of public sector malfunction*”.⁵⁵ Because it is a governance policy first and foremost, the focus is mainly on the government and its role within the state. The main *addressee* is therefore still the governments and how they, in cooperation with the World Bank effectively can work against corruption. This strategy paper identifies three types of skills that are needed for the Bank’s work in governance:

- public sector institutional reform, and capacity building
- task management skills
- broad skills in institutional analysis and assessment and substantive expertise in specific areas (such as budgeting, civil service reform, decentralization, tax administration, alternative modes of service delivery, judicial systems, etc.).⁵⁶

Traditionally the Bank has had a major focus on the first skill, but had a need to expand its expertise

⁵⁴ World Bank (1997) p. 27

⁵⁵ World Bank (2000) p. 1

⁵⁶ World Bank (2000) p. xvii

in the other two,⁵⁷ which however continues on the issues addressed in the 1997 strategy paper but is more politicized. An outspoken wish for decentralization and alternative judicial systems seems to have moved the World Bank towards a less strict focus on corruption as solely an economic issue. As a *justification* to why this strong focus on governance, and primarily less governance, is pointed out through a focus on the increased risk of bribes within a too large and uncontrolled governmental organization. The answer to this problem is economic reform. “A *decision to reduce tariffs or move from highly varied to uniform tax rates can dramatically shift incentives and responsibilities within customs and tax administrations, making it harder for officials to extract bribes in return for lower taxes. This is one example of why economic reform is a key pillar of an anti-corruption program*”.⁵⁸ The issue of governance is however made more complex by introducing two different forms of governance that are connected to each other in complex ways. “*It is important to note that the state of corporate governance in an economy is likely to be connected in intricate ways with the state of public governance, where unaccountable and nontransparent public governance can lead to a blurring of the lines between the public and private sectors and to dysfunctional corporate governance.*”⁵⁹

The *actors* being affected by this is the civil society, which through a corrupt capital market or utility regulation might risk a government 'captured' by private interests.⁶⁰ The need to fight corruption is therefore presented as a general need, affecting everyone in society in the end regardless if it is petty or grand corruption. In order to avoid this, the strategy therefore recommends decentralization as in transferring fiscal, political, and administrative responsibilities to lower-level governments as well as to the private sector.⁶¹

The Public Sector Group is however somewhat cautious in their recommendations for decentralization, and continue by stating that “effective decentralization requires an active role for central governments, because rules and restraints are absolutely necessary to distribute responsibilities across levels of government and to encourage fiscal discipline, enable effective service delivery and promote poverty-reduction objectives.”⁶² The conclusion is that they envision a small but effective and influential state as a key actor to balance decentralized and privatized

⁵⁷ World Bank (2000) p. xvii

⁵⁸ World Bank (2000) p. 9

⁵⁹ World Bank (2000) p. 12

⁶⁰ World Bank (2000) p. 12

⁶¹ World Bank (2000) p. 24

⁶² World Bank (2000) p. 25

sectors.

5.3. Strengthening World Bank Group Engagement on Governance and Anti-Corruption - 2006

Nine years after publishing the first anti-corruption strategy and six years after the second large publication, this combined governance and anti-corruption strategy was published by the World Bank in 2006. The main *issue, or 'thrust'* of this new strategy was to further “*expand the Bank Group’s support for countries’ efforts to address governance and anticorruption and build capable, transparent, and accountable institutions that reduce poverty.*”⁶³ The justifications for the claims remain unchanged as the governance issue is further developed which shows that their main interests have not changed from previous strategies.

This strategy was heavily affected by presidency of the leader of the World Bank at the time, Robert Wolfowitz, and is built upon the vision outlined in a speech in Jakarta in April 2006, where claims reflects lessons learned from the experience of the Bank and other partners.⁶⁴ It concludes that the main components in the 1997 strategy remain relevant, such as addressing the issue of corruption through the “*helping partner countries (addressees), preventing fraud and corruption in Bank-financed projects, and supporting international efforts to combat corruption.*”⁶⁵ Bank Group activities in a member country are still seen as the major activity for the Bank to promote and the states and the governments are the main addressees. A similar idea of a tailored approach for each country is presented as the Bank is said to first aim to put a “*diagnosis of the country’s development situation and a selective program of Bank Group support tailored to the country’s needs, against the background of the Bank’s ongoing portfolio and comparative advantage.*”⁶⁶

The *justification* for this new approach, beyond the previous poverty goals inherited by the history of the organization, is a new and outspoken need for even more research in order “*to more effectively learn which approaches have been most effective, greater attention needs to be paid to integrating research into Bank operations.*”⁶⁷ A fairly new *addressee* is presented in the 2006 strategy paper, even though they have occurred before but not as directly addressed as here. The private sector is mentioned as having a more significant role in the implementation of the anti-corruption strategies

⁶³ World Bank (2006) p. 7

⁶⁴ World Bank (2006) p. 3

⁶⁵ World Bank (2006) p. 25

⁶⁶ World Bank (2006) p. 7

⁶⁷ World Bank (2006) p. 29

than they previously have been given. In the policies they are said to have a significant role “*both in their role as watchdogs (including the independent media) and as the recipients of services and regulations, and hence a potential source of pressure for better performance*”.⁶⁸

5.4. Evolution of the strategies 1997 – 2006

An evaluation of the use of the four factors in the claims-making process a change can be seen during the period of study at least in some aspects of the strategies.

As far as the *addressee* of claim (at whom the claim is directed), governments are continuously the main addressees, with a slightly growing emphasis on governments towards the latter strategy paper. This being parallel to a small change towards a growing politicization, confirmed also by the previous research, which would open up for new opportunities in the area of a further expressed ideology within the World Bank organization. The research points towards a raise in addressing the private sector more actively as an addition to the previously strict governmental approach, as well as a decline in the demands for decentralization. In the latest anti-corruption strategy from 2006 there is a slight move towards directing demands at private sector as well, but then mainly seeing them as an assisting force to affect the primary addressee, being the governments.

The substantive *issue* of claim (what the claim is about) relates corruption to poverty and ascertain that corruption is bad for any economy, but especially the most vulnerable systems in poorer countries. The essence of effective anti-corruption efforts according to the World Bank is strengthened governance, this through a small well regulated state apparatus and a growing private market that can promote competition, and through that minimize corruption.

The *object actor* which would be affected by the claim if it were realized (for and/or against whom) is mainly the civil society, and especially people suffering from poverty. “*Our work begins and ends with the poor in mind,*” according to World Bank Managing Director Juan Jose Daboub.⁶⁹ But also some of the addressees, such as government and to a slightly growing extent the private sector are said to gain from further actions against corruption. The object actor can be seen as having changed to a certain extent and might possibly change even more towards the private sector as well. This, if the Bank decides to live up to the their own goals of implementing more evidence based strategies, where much research points to the private sector as a factor not yet dealt with properly.

⁶⁸ World Bank (2006) p. 26

⁶⁹ <http://go.worldbank.org/GK115J8GR0> Accessed 3 Jan 2010

As *justification* for their claims (why their actions should be undertaken) is solid throughout the period of study, something that might not be too surprising but still could have been thought to differ depending on the success or failure of previous strategies. Anti-corruption is presented as necessary first and foremost as a step towards reducing poverty. The strategies all aim to strengthen the support for countries in their governance in order to become more prosperous and well-functioning states.

To a certain extent one could argue that poor people are being victimized, people whose cause is presented as a addressees, as the reason for intervention but without further research on whether these interventions actually comes to gain the main addressees. If an underlying agenda would be considered to exist within the anti-corruption efforts, it could indicate a different or additional addressee of the policies, such as private companies or governments but the justification becomes less legitimate as the original validity for the intervention is tampered with if the public in general is not in agreement with this change.

5.5 Summary

Plenty of research has been presented during the period of this study which has pointed to significant flaws in the strategies⁷⁰ with very little action being taken by the Bank. Despite many critics pointing towards major flaws in the strategies, critique that at least partly might have been valuable to listen to has largely been ignored as far as police documents are concerned, since the change in the 10 year period of this study is little. As shown also in previous studies of other social problems and claims-making, there are rarely simple causal relationship between a condition, such as corruption in this case, the experiences of dissatisfaction with the condition, and the activation of responses to complaints.⁷¹

6. Analysis

6.1. The overall change within the World Bank policies

As much as slight change in the policies can be detected, the issues on which the policy hold on to can be the ones giving away a possible biased stand-point if they are still lingered on to by the Bank, despite research showing its shortages in succeeding to lower the levels of corruption. The main definition of corruption used by the World Bank is the same in the 1997 document, as well as

⁷⁰ as mentioned, the research of Andvig, J., Fjeldstad, O-H., Amundsen, I., Sissener T., and Søreide, T (2001), Khan, M (2002), Marquette, H (2004) being only a few of them,

⁷¹ Spector and Kitsuse (2001) p. 84

in the one from 2007: “*the abuse of public office for private gain*”.⁷² In the 2006 document they do however add also the concept of 'corrupt practice' which is a bit more extensively described, and defined as: “*offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the action of another party.*”⁷³ Even though the concept might have been expanded to some extent, the basic apprehension of what the problem is about has not debated further.

A change which to a certain degree has been shown in this study, and that is supported by previous research is a change within the World Bank towards a slightly more politicized agenda. Regardless whether if this might has been inevitable or not, it highlights the subjective aspect of the problem, as where the subjective side of social problems has a tendency to change over time and with societal changes. As the political climate changes so does the rest of the society, and so does the interests of any organization active in the political sphere. One pro argument for starting to fully acknowledge the inevitable existence of political implications of the decisions of the World Bank is that an ideological bias then easier could detected and acknowledged by people within the organization. Just as with the issue of corruption itself, it was not until the phenomena was fully acknowledged that any serious productive measure against it could be initiated.

The bias that the World Bank has been blamed for showing repeatedly in their work is a neo-liberal approach to governance and the role of the state as a governing institution in the nation-state⁷⁴. This bias seems to be prevalent in this study as well, considering the strong focus on decentralization in all three strategies. But is it possible to achieve both economic growth and lowered corruption at the same time, especially for developing countries that at least as a short-term first step might not benefit from liberalizing market reforms? This is the question the Bank might have to ask itself in order to further enhance and improve their strategy, since it claims to strive for a tailored approach when helping countries fight corruption.

The Bank also appears to strive for a relatively quick solution to the problem of corruption, stating that poorer countries cannot wait for historical processes to curb the problem, like the evolution in Latin American economies.⁷⁵ One policy reform presented to reduce rents in these developing nations is lowering tariffs and other barriers to international trade. This has been proven not a

⁷² World Bank (2006) Annex G

⁷³ World Bank (2006) Annex G

⁷⁴ Goldman (2005) p. 19

⁷⁵ World Bank (1997) p. 27

profitable step for many poor countries where the economy is still struggling with huge problems because of cheap products that can be imported from industrialized countries⁷⁶. Meanwhile, countries which have had high tariffs on imported goods, such as China has been able to see a positive factor as well as to have built up a stable domestic market. The corruption in authoritarian China is particularly difficult to estimate, but usually the Bank strongly connects a growing free market and competition to the production of growth and economic success, with lowered corruption as a consequence. Another example that the Bank still does not seem to have taken into account in any of its strategies is the previously mentioned development of the South Korean economy which under strict authoritarian rule went from a developing country to a prosperous economy under a very short time frame⁷⁷. What these examples are supposed to highlight here is that despite the outspoken wish to customize the anti-corruption strategies to the specific cases, the strong focus on market liberalization as the sole economic policy seems to be somewhat stubborn and have a foundational grip of the organization as a whole. However, the Bank is not completely blind to the short term effect of market liberalization. *“In the long run privatization should decrease corruption, because it reduces the power and discretion of public managers and bureaucrats and increases competition and transparency. In the short run, however, the complex negotiations required for privatization—usually in a situation of shifting policies and regulations—create temptation and opportunity.”*⁷⁸ In this example they do not exclude the state as a part of the solution altogether. Their vision of a small but strong institution as another key to control corruption is just as constant as many other interests. Transparency, strengthened legal system and building professional civil service is something that the Bank indirectly wants to encourage by policy advise, technical assistance etc.⁷⁹

All in all, their analysis of the relation between corruption and the state is compromised to a certain extent by the fact that the countries that continuously are top-ranked when as far as having the lowest corruption in the world are the Scandinavian states⁸⁰, who all posit very large state-apparatuses (compared to other European/Western countries) and several successful state monopolies working side by side with the free economy. As an issue is politicized, such as the financial issues in relation to corruption has been handled within the World Bank, there is a risk of the debate turning away from scientific analysis and empirical trends. Similar cases can be found in

⁷⁶ Khan (2002) p. 9

⁷⁷ Khan (2002) p. 12

⁷⁸ World Bank (1997) p. 36

⁷⁹ World Bank (1997) p. 42

⁸⁰ For country corruption rankings, see CPI indexes at Transparency International (www.transparency.org)

other crime- and security debates, such as in the case of terrorism. When politicized the issues tend to be defined in a broader manor where it risks complicating the process of finding a sustainable solution.

6.2. The fight against corruption – a battle possible to win?

This issue of corruption and the possibility to ever overcome this societal ill is however debated even inside the World Bank. A humble approach towards finding a final solution to the issue is to be found in the strategy paper of 2000 that concludes that *“In the area of anti-corruption, World Bank interventions are unlikely ever to eliminate corruption, and even making a significant dent in the problem may be difficult in certain countries no matter how well the Bank performs. Defining a standard for success is particularly tricky in such a situation. Rather than aim for the same percentage and standard of success in all types of projects the Bank undertakes, success should be measured in part against the difficulty of the challenges addressed.”*⁸¹ As good as such a realistic approach to the complex issue of corruption might be, this do set the expectations of the World Bank rather low. Considering the extensive monetary assistance and changes that countries take on through the promoted strategy efforts, the Bank might need to take responsibility for the significant societal changes that have been implemented with their consent and support, and not simply disregard a possible successor failure as such a relative matter. If all evaluations of success or failure is to be compared to the specific situation that the problem evolved from in that local case and without any empirical 'percentage' as comparison, there's a risk that little research on the topic will turn out useful for the future work and evaluation of the Bank. This low expectation on the actual outcome does not stand in relation to the effects the restructuring of the society could have on the people they used as justification for their actions. Since a major concern of the bank reforms in the very same policy document is to be accountable and responsive in the work in public sectors with the clients “on the ground”, the credibility of any reform strategy, complex issue as corruption or not, could fall if this continues. At least it could be expected for the Bank to have a focus on the long-term effects of lending and systemic institution-building, which also is promoted by the Bank and should require decent measuring tools in order to estimate previous outcomes.⁸²

6.3 Political bias – counter-productive or necessary?

One very devoted scholar when it comes to debating World Bank reforms is Catherine Weaver. She

⁸¹ World Bank (2000) p. 19

⁸² World Bank (2000) p. 21

and other scholars have repeatedly criticized the Bank's management for its blindness to the political realities existent behind the World Bank policies. Even though the concept of "good governance", defined as "*the exercise of political power to manage a nation's affairs*" is constantly used as the number one tool for the World Bank in their anti-corruption measure, research suggests that the hallmarks of Bank activity - private sector reform and the introduction of market mechanisms - were not sufficient for economic growth.⁸³ Despite criticism, if not as strong as against the criticism towards the similar governance strategies promoted by the IMF, there are signs of a political bias. Weaver takes it as far as saying that there are 'obvious political overtones'. If this was the case, it had gone against the Articles of Agreement which dictated that "*The Bank and its officers shall not interfere in the political affairs of any member, nor shall they be influenced in their decision by the political character of the member or members concerned.*"⁸⁴

As this study shows, as well as other previous research, it is possible to detect a political stance in the decision-making within the World Bank. It seems as if the original idea of a non-political organization and Article III, with a strict focus on the economic aspects of poverty reduction and aid, might have been profitable when starting the organization in 1944 but is an article that nowadays causes certain problems in the organizational work regardless of how it is addressed. The issue of eliminating it might however be all too painful for a large organization like the World Bank that rests on far-reaching traditional working practices. This does seem to be the case, since not even the in 1995 newly appointed President of the World Bank, James Wolfensohn, saw it as an option to suggest an abolition of the article. He was told that corruption was political and therefore could not be discussed within the organization, but instead of expanding the realm of permissible discussion regarding corruption by eliminating the article, he instead pursued the mission to deny the political nature of corruption as a concept, in the debate as a whole.⁸⁵ Maybe as a result of this, the debate did also turn towards a stronger focus on the economic aspects of the problem, making it less of a social agenda and better suited for a market oriented policies that existed within the World Bank.

This change in framing the concept of corruption enabled the Bank to actively address not only poverty but also corruption which in length might have been a necessity since corruption was seen closely linked to poverty. By reinterpreting the meaning of the concept of corruption, Wolfensohn

⁸³ C Weaver (2005) p. 24

⁸⁴ C Weaver (2008) p. 11

⁸⁵ M.A. Thomas (2007) p. 742

got off easier than if he would have had to change the basic structural outlining of the entire organization. However, judging from the strategy paper that has been produced by the Bank as a consequence of this new approach to corruption, there is a slight move towards a more politicized World Bank, regardless of if that was unintentional. Still, the opposite to the recent development of the strategies: to keep the article as it is, clearly hinders the organization from being productive in at least some of their main missions. Formerly even used as a justification for organizational top-down intervention⁸⁶ since the article assured that no political power would be exercised, it might have played out a part of its role in today's policy work. As the economic society of today to a more or less extent has been normalized around a liberal or to a certain degree even neo-liberal approach, this article, regardless if it stays or goes might be overlooked because of an existing political agenda so taken for granted that it is not even detected. The result of their claims-making approach show little but still a small change towards a political agenda, but the question is how much of this bias that were already there to begin with, before corruption and social issues entered the picture.

6.4. Possible effects of a political bias

If a neo-liberal agenda exists within the World Bank⁸⁷, it does put different meaning behind the claims made in the strategies. The previous main-actors being affected by the anti-corruption claims and actions, the poor, will within a more politicized agenda more take on the role of plain justification of the strategies, while the actors affected might expand into gaining stronger actors in the field that has the possibility of taking advantage of the market situation, such as already economically or politically strong actors in society. One striking conclusion that is made by the World Bank itself but that does not seem to have the significant impact that one would think would result from such an establishment. In the 2006 strategy paper, while still confirming the state apparatus as the main addressee as well as holding the main responsibility for good governance and corruption control, the paper also points out that external actors such as donor agencies, financial institutions, and even multinationals also play a role⁸⁸. Since the flow of bribes and money illicitly obtained from corrupt activities is such a major issue in the corruption debate, the fact is that the illicit money derived from sources in developing countries often leads back to banks, property, and investments in industrialized countries.⁸⁹ This aspect receives almost no attention and does not seem to give any significant repercussions in the published strategies. This despite the fact that this

⁸⁶ Bebbington *et.al* (2003) p. 50

⁸⁷ Goldman (2005) p. 23

⁸⁸ World Bank (2006) p. 6

⁸⁹ World Bank (2006) p. 6

side of corruption might in some aspects be easier to deal with in regard to the non-political agenda that the World Bank strives for, since especially multinational companies rarely have direct political ties of the same nature as governments do.

As pointed out by Khan (in the previous research-section) there are additional indicators beyond what was just mention which indicate that not all research findings are treated with the same care within the World Bank Group. Evidence from South Korea in the sixties to China today show that corruption was rife during the period of early capitalist development⁹⁰ and if this is a normal reaction for a state in a transition with too far-stretching or sped up deregulation of the state, the Bank risks to back-stab their borrowers, since the tactics of liberalized markets and lesser state intervention will (to a first degree) enhance corruption,. This, which is the opposite of the intended result, could also prevent the state from receiving further funding from the Bank, if harsher attitudes towards badly behaving states are carried through.

The demands, criticism and/or proposals conceived and presented by the World Bank, most often led by influential western leaders surely risk to turn the strategy into a political sphere, regardless of it is intentional or not, because of the over-weighing majority of industrialized countries that often have different sets of values than the borrowers the subjective judgment of corruption as a crime and deviant behavior is constructed by the west. Despite of the original vision in the Article III of being a non-political actor, the power asymmetry between loan givers and borrowers makes the intended natural stance very difficult for the World Bank. That is not to say that this one form of bias will stay indefinitely. If for example, the United States loses its previously major influential role in the World Bank to a country like China or any other country with a possibly different attitude and perspective on how corruption should be defined and handled, the agenda could change. This situation is not impossible considering the growing influence that China has gained in the organization, as the second largest customer and with its outstanding World Bank loans of more than \$ 21 Dollar.⁹¹

7. Conclusions

The development of the World Bank's anti-corruption strategies has been slow, and some aspects have remained the same throughout the study period. The issue of claim that argues for a strong relation between corruption and poverty, and the main method in anti-corruption policies being to

⁹⁰ Khan (2002) p. 2

⁹¹ <http://www.foxnews.com/story/0,2933,261290,00.html> Accessed 2 Jan 2009

promote good governance in order to curb the corruption is not changed. The very definition of the problem of corruption (the abuse of public office for private gain) has not changed significantly, neither has the justification for their actions changed. The policies promote a free market, decentralization and a small but strong state, efforts that are seen as necessary because of their possibilities to improve the market forces which lead to growth followed by poverty reduction.

The addressee has changed somewhat, turning from strictly addressing state actors with governance plans and institutional reforms, towards a mindset where a reduced state is still the first priority, but where external factors are acknowledged as having a part in succeeding with the anti-corruption as well. There seem however to be a somewhat stubborn focus on the state actors as carrying the bulk of responsibility when it comes to take action against corruption despite research criticizing this incompleteness strategically. This in turn affects the actors, where governments and civil society risk losing the most from the failed strategies, and the private sector gaining from not having to take full responsibility or action against corruption in the same extent as other actors.

The above mentioned findings, as well as the two (by the World Bank largely ignored) examples of East Asia and the role of multinationals, does indicate a bias towards liberal markets and less state intervention. This goes against their proclaimed neutral and non-political agenda that has existed within the organization since the start, but seems to possibly be a combination of a result from a conscious strategy change during the presidency of Wolfensohn 1995 – 2005 and the following leader Wolfowitz, as well as a natural adaptation to an economic climate in the western world where a neo-liberal economy is not necessarily noticed as a political system at all. The intended depoliticization of the anti-corruption work started in 1995 might actually have contributed to a repoliticization of the poverty reforms performed by the World Bank, as well as to the organization as whole, after diminishing the aging Article III.

As a final remark there is a need to once again emphasize the fact that corruption as well as governance or development is hard to measure. This is one of many obstacles in finding a decent solution to a problem that most certainly has as many different solution strategies as the problem has definitions. An open-minded approach and the ability to take in all valuable information in regard to improving the strategies step by step is needed in order to succeed to any extent. The opposite, consciously pursued or not, which would be a persistence of continuing with strategy policies that only have shown very moderate positive effects, at best, does not benefit anyone. Valuable time and large sums of money will be spent in vain if the research does not continue and if

it's not listened to with a fairly open mind. For future research I would suggest further comparisons, more in-depth studies of the World Bank, possibly an additional claims-making analysis but of other documents such as speeches or debate articles written by representatives from the organisation which could give an interesting contribution, since there is reason to believe that such publications have varied more throughout the years than the official strategy documents. Also comparative studies of anti-corruption strategies promoted by other large NGO's and organizations such as the UN, IMF, etc would be helpful to better understand the corruption debate. How much do these coincide with the agendas and priorities of the World Bank? A possible pattern among such large institutions as well as further estimations of the problem of corruption might tell us more about how to structure viable and long-term anti-corruption strategies.

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