Lecture 3

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World Bank Services

The World Bank is world's leading repository of Developmental Knowledge Management and Research as well as of Global Development Data .

Global Operations Knowledge Management Unit (World Bank Institute)

The World Bank Institute (WBI) was established in 1955 to be the storehouse of global development knowledge and research , for being the " global connector of knowledge, learning and innovation for poverty reduction". The purpose of the institute was to serve as provide an open place where senior officials from developing countries could discuss development policies and programs. It aims to inspire change agents and prepare them with essential tools that can help achieve development results.

WBI had four major strategies to approach development problems: innovation for development, knowledge exchange, leadership and coalition building, and structured learning. In 2019, it has been renamed as a new unit, Global Operations Knowledge Management Unit (GOKMU), which is now responsible for knowledge management and learning across the Bank.

Global Development Learning Network

The Global Development Learning Network (GDLN) is a partnership of over 120 learning centers (GDLN Affiliates) in nearly 80 countries around the world. GDLN Affiliates collaborate in holding events that connect people across countries and regions for learning and dialogue on development issue by tapping development practitioners and experts worldwide. GDLN clients are typically NGOs, government, private sector and development agencies who find that they work better together on sub-regional, regional or global development issues .

Open Data Initiative & Open Knowledge Repository

The World Bank collects and processes large amounts of data and generates them on the basis of economic models. These data and

models have gradually been made available to the public in a way that encourages reuse,. The World Bank hosts the Open Knowledge Repository as an official open access repository for its research outputs and knowledge products.

JUSTPAL Network

A Justice Sector Peer-Assisted Learning (JUSTPAL) Network was launched in April 2011 by the Poverty Reduction and Economic Management (PREM) Department. The JUSTPAL objective is to provide an online and offline platform for justice professionals to exchange knowledge, good practices and peer-driven improvements to justice systems and thereby support countries to improve their justice sector performance, quality of justice and service delivery to citizens and businesses. The Network includes representatives of judiciaries, ministries of justice, prosecutors, anti-corruption agencies and other justice-related entities from across the globe. The Network currently has active members from more than 50 countries. The Network has organized its activities under five Communities of Practice (COPs): (i) Budgeting for the Justice Sector; (ii) Information Systems for Justice Services; (iii) Justice Sector Physical Infrastructure; (iv) Court Management and Administration; and (v) Prosecution and Anti-Corruption Agencies.

Criticisms

G**overnance of World Bank :** One of the most common criticisms of the World Bank has been the way in which it is governed. While the World Bank represents 188 countries, it is run by a small number of economically powerful countries. These countries , which also provide most of the institution's funding, choose the leadership and senior management of the World Bank, and their interests dominate the bank. It is argued that unequal voting power of western countries and the World Bank's role in developing countries makes it discriminatory a kin to global apartheid.

Another source of criticism has been the tradition of having an American head the bank, because the United States provides the majority of World Bank funding. The Bank should follow merit based system in selection and voting.

Forcing Market Based Washington Consensus policies : The World Bank and the IMF , in the 1990s forged the Washington Consensus policies that included deregulation and liberalization of markets, privatization and the downscaling of government. Though the Washington Consensus was conceived as a policy that would best promote development, it was criticized for ignoring equity, employment and how reforms like privatization were carried out. Joseph Stiglitz argued that the Washington Consensus placed too much emphasis on the growth of GDP, and not enough on the permanence of growth or on whether growth contributed to better living standards. Stiglitz argued that the so-called free market reform policies that the Bank advocates are often harmful to economic development if implemented badly, too quickly ("shock therapy"), in the wrong sequence or in weak, uncompetitive economies.

On the opposite end of the Spectrum ,the World Bank has also been criticized by non-governmental organizations for promoting as Sate backed monetary system designed within would promote world inflation and a world in which international trade is State-dominated.

Unfairness of assistance conditions : Some critics are of the opinion that the World Bank Group's loans and aid have unfair conditions attached to them that reflect the interests, financial power and political doctrines of the Washington Consensus countries in the Bank . Thus raising school fees on students in Ghana in exchange for a loan, Privatization of Tanzania water system or pushing for eliminating of food subsidies in post-invasion Iraq are unhuman and insensitive. One consequence of the period of poverty alleviation lending was the rapid rise of Third World debt. From 1976 to 1980, developing world debt rose at an average annual rate of 20%.

Forcing Common Law Systems : These reforms have introduced in developing countries regulatory institutions typical of the common law legal tradition and it does not take into account that the legal institutions transplanted during the European colonization have been then reformed. And hence forces detrimental reforms.

Failing to remove Poverty :The United States Senate Committee on Foreign Relations report criticized the World Bank and other international financial institutions for focusing too much "on issuing loans rather than on achieving concrete development results within a finite period of time" . It has been argued that the main effect of many development projects carried out by the World Bank and similar

organizations is not the alleviation of poverty. Instead the projects often serve to expand the exercise of bureaucratic state power and some times promoted corruption.

Structural adjustment Policies Effect on Poor countries

The effect of structural adjustment policies on poor countries has been one of the most significant criticisms of the World Bank. When the 1979 energy crisis plunged many countries into economic crisis, the World Bank responded with structural adjustment loans, which distributed aid to struggling countries while enforcing policy changes in order to reduce inflation and fiscal imbalance. Some of these policies included encouraging production, investment and labour-intensive manufacturing, changing real exchange rates and altering the distribution of government resources.

Structural adjustment policies were most effective in countries with an institutional framework that allowed these policies to be implemented easily.For many countries, particularly in Sub-Saharan Africa, economic growth regressed and inflation worsened. The alleviation of poverty was not a goal of structural adjustment loans, and the circumstances of the poor often worsened, due to a reduction in social spending and an increase in the price of food, as subsidies were lifted.

By the late 1980s, international organizations began to admit that structural adjustment policies were worsening life for the world's poor. The World Bank changed structural adjustment loans, allowing for social spending to be maintained, and encouraging a slower change to policies such as transfer of subsidies and price rises.

In 1999, the World Bank and the IMF introduced the Poverty Reduction Strategy Paper approach to replace structural adjustment loans.The Poverty Reduction Strategy Paper approach has been interpreted as an extension of structural adjustment policies as it continues to reinforce and legitimize global inequities. Neither approach has addressed the inherent flaws within the global economy that contribute to economic and social inequities within developing countries.