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Giving faith back to the poor: A World Bank – civil society partnership

by

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Declaration

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

SIGNATURE



DATE November 2004

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Abstract

The central question of this dissertation is how the World Bank can improve developmental policies and better use its funds and resources to ensure the attainment of the international community's goals for development, specifically that of global education. The state of education in both developed and developing countries shows that a gap exists in ensuring development reaches the poorest communities. Criticism of the World Bank and other international organizations proves that this gap has not been filled despite the possible positive effects of globalization. The scope of this paper is not to create guidelines for poverty alleviation or development, but to give a starting point for a new approach toward developmental aid. An example of a group that has been more successful in getting development out to the poor, the churches, is presented in order to address the question of how these deficiencies can be overcome. Through a look at the churches' history of ensuring that development, in particular education, reaches the poor in the United States and in South Africa, this study recommends a method in which the World Bank can address its critiques through creating partnerships with civil society. The creation of networks made up of community-based organizations can ensure greater efficiency and success through the sharing of best practices in education development. Only an organization as broad and influential as the World Bank can ensure sufficient funding and monitoring of networks created between organizations of civil society that improve the provision of public goods to the poor. The suggested way forward is therefore for the World Bank to transform from a financial bank to a 'knowledge bank,' aiding in the process of sharing data and best practices in development. The specific outline of this new approach, such as how the World Bank can rank the developmental priorities of each country, is left to future studies.

Table of Contents

Abstract.....	i
Chapter One – Introduction	1
Chapter Two – The Provision of Education.....	6
2.1 The power of education.....	7
2.2 The state of education.....	10
Chapter Three – The World Bank’s Role in the Global Community.....	17
3.1 The formation of the World Bank.....	18
3.2 Policies in the 1980s.....	19
3.3 Policies in the 1990s.....	21
3.4 New direction in education.....	22
3.4.a <i>The World Bank as service provider.....</i>	<i>23</i>
3.4.b <i>The World Bank’s method of improving education development.....</i>	<i>24</i>
Chapter Four – Evaluation of World Bank Policy.....	31
4.1 The World Bank’s evaluation of its own performance.....	31
4.2 External Critique of World Bank policies.....	33
4.2.a <i>General critique of World Bank structures.....</i>	<i>34</i>
4.2.b <i>SAPs and their results.....</i>	<i>38</i>
4.2.c <i>The World Bank’s projects in education.....</i>	<i>44</i>
Chapter Five – The Role of Civil Society.....	52
5.1 Civil society as a voice for the poor.....	52
5.1.a <i>What is needed from civil society involvement.....</i>	<i>53</i>
5.2 The Christian Churches and education.....	57
5.2.a <i>The church as the voice of civil society.....</i>	<i>59</i>
5.2.b <i>The role of the church in U.S. politics.....</i>	<i>61</i>
5.2.c <i>The role of the church in South African politics.....</i>	<i>68</i>
Chapter Six – Conclusion and Recommendations.....	75
6.1 Recommendations.....	77
6.2 Further Areas of Study.....	82
6.3 Concluding Remarks.....	83

Chapter 1 Introduction

In a world of globalization, where do the interests of states lie? Nations are faced with greater threats from external forces, physical as well as economic in nature. The terrorist attacks on September 11, 2001 changed the world's balance. It became obvious that weapons and defense measures were not enough to secure a nation. Despite spending 300.767 billion dollars in 2000 on security,¹ America was defenseless against terrorist attacks. Security took on a new meaning after 9-11. Physical security of one nation today is seen as being irrevocably tied to the economic status and the condition of people from external countries. Though reforms have taken place in the government offices of the FBI and CIA, the United States' main focus has shifted from creating defense mechanisms on its own shores to war, trying to stabilize countries in order to remove external threats. Security issues in a globalized society are no longer contained within a nation's borders but influence the entire international community. A nation cannot be secure by large amounts of spending on defense alone. In securing one's own nation, looking at the global community's security as well as the condition of each nation in the community becomes essential.

The new world order, with humanitarian interventions and the International Law Tribunal, shows a different approach to security and a different focus than defense. In order for peace and security to exist, it is apparent that the international community believes that justice and humane conditions for all peoples must be obtained. This new approach is also apparent in the United States' war efforts. Among President George W. Bush's goals, he stated that the wars on Afghanistan and Iraq were not only for

¹ "Budget of the U.S. Government: Fiscal Year 2002." (Washington, D.C.: U.S. Government Printing Office, 2001).

America's security, but for the world's security, including the citizens of each country. September 11 showed the developed world that ignoring the poorest countries, such as Afghanistan, was no longer viable. The US war on Iraq stated one of its main goals as creating a better world for the Iraqi people, one of democracy and freedom from the tyranny and abuse of Saddam Hussein. The new international agenda thus focuses on humanitarian conditions for all people in economically sound, democratic nations in order for all countries to be able to achieve security. Development is no longer just the concern of developing nations but of developed states as well in their need for security. How do individual nations and the international community promote a "secure" world, where developing countries and their people no longer face poverty and instability? The question that this dissertation addresses is how the global community can best address its goal of security, especially through poverty alleviation.

At the United Nations Millennium Summit in September 2000, 189 countries gathered to develop an agenda for the way forward. The results were the Millennium Development Goals for 2015. The agenda for reducing global poverty included eight specific goals: eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality, improving maternal health, combating HIV/AIDS and all major diseases, ensuring environmental sustainability and developing a global partnership for development.² Although this dissertation addresses the method by which the international community can achieve the eight Millennium Development Goals in a move toward poverty elimination, it is particularly interested in the second goal: the provision of universal

² "Millennium Development Goals." on the World Bank website. April, 2003. <<http://www.world-bank.org>> 2 September, 2003.

primary education. The goals clearly show that the international community is most interested in eradicating poverty, to improve the state of the poorest people as well as to ensure security in the global community.

These goals are not new to the development world, but mainly have been addressed from an economic standpoint. Economic development was often the first goal in the hopes that poverty alleviation, the provision of education, etc. would follow from better economic conditions. As suggested by Berry, Culpeper and Stewart, this dissertation asserts the belief that:

[i]n the absence of anything like a system of ‘global economic governance’ to oversee the workings of the global economy, there is a pressing need to ensure that existing international institutions behave in ways which help to improve the lives and well-being of people in all countries, particularly the poorest.³

It is the proposition of this author that, because an institution to govern international economic behavior does not exist, it is not realistic to believe that economic development will necessarily lead to a positive economic and social impact on the developing world. Globalization can have equally negative effects in poorer countries because of the lack of “global economic governance.” In light of these possible negative effects, this dissertation affirms that existing international organizations will benefit from re-examining their methods to ensure that they are aiding the poorest people in the poorest countries.

The focus of this dissertation is therefore on what “behavior” international institutions should exhibit in order to best address poverty. More specifically it looks at how international organizations, particularly the World Bank, can improve their policies

³ Berry, A. and Culpeper, R. and Stewart, F. (eds.). *Global Development Fifty Years after Bretton Woods*. (London: The North-South Institute, 1997), 8.

and programs to ensure that the goal of universal primary education is achieved. The first claim of this dissertation is that education development is essential to the improvement of the stability in developing countries and therefore should be a main focus of the global community and international institutions. Secondly, many states, both developing and developed, lack the capacity to provide an adequate education for all of their people, especially the most disadvantaged. The next assertion is that the “behavior” of international institutions has been insufficient in filling the gap in the states’ capacity and in moving the world toward successfully attaining the UN Millennium Development Goals. This dissertation hypothesizes that a close partnership with organizations in civil society and the creation of a network of best practices among these institutions will be a sufficient behavioral shift in international organizations to better ensure that development in education and other areas reach the poorest people in the poorest countries. This hypothesis is tested through looking at effective organizations in civil society, such as the churches, and how they have successfully given voice to the poor and oppressed in the past in education development. These propositions culminate in a suggested way forward for the World Bank in creating partnerships with organizations in civil society, becoming a ‘knowledge bank’ for best practices and promoting further education development that reaches the poorest of the poor.

For the purposes of this study, the state is defined as an entity

composed of numerous agencies led and coordinated by the state’s leadership (executive authority) that has the ability or authority to make and implement the binding rules for all people as well as the parameters of rule making for other social organizations in a given territory, using force if necessary to have its way.⁴

⁴ Migdal, Joel. *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. (Princeton: Princeton University Press, 1988), 19.

Civil society is defined as “associations that carry out important political functions outside the surveillance of state agencies.”⁵ The civic public realm, discussed in Chapter Five, describes the area over which the state has power, from which civil society may or may not be a part. In other words, the civic public realm can be called the political arena. Examples of institutions in civil society are the Catholic and Protestant churches that fall under the umbrella of Christianity, hereby referred to as “the church,” unless otherwise noted.

Chapter Two begins to unravel this question through an analysis of the failure of governments to sufficiently improve the state of education in their countries. In particular, the chapter looks at the importance of education to development and poverty alleviation and the challenges to governments in the provision of this public good. The World Bank’s history and approach to development and the provision of education are discussed in Chapter Three as a representation of the international community’s method of addressing this gap in service provision left by the governments. The shortcomings of these policies and programs are then examined in Chapter Four in order to determine challenges to the development community. Chapter Five presents the missing element in developmental approaches, the involvement of civil society. The discussion begins with the necessity of civil society in the development and implementation of policies that address poverty. It then moves onto a case study of the important role of the churches, which have successfully provided education to the oppressed and marginalized, even in defiance of the state, in both developed and developing countries. Finally, Chapter Six summarizes the findings of this dissertation, analyzing the situation of education

⁵ Ekeh, Peter. “The Constitution of Civil Society in African History and Politics,” *Proceedings of the Symposium on Democratic Transition in Africa*. June, 1992.

provision and suggesting a method to better incorporate civil society into the development solution. Future areas of study with regard to providing aid to developing countries are then suggested, particularly through education funding.

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Chapter 2 The Provision of Education

From my travels these last weeks, there is one priority that stands out, and that is education, and particularly for girls. Only education can empower young people with the knowledge they need to protect themselves and their communities...And only education can help children and young people acquire the knowledge and develop the skills they need to build a better future.

~Carol Bellamy: the UNICEF Executive Director to Africa
Leadership Consultation⁴

In order to begin the discussion on how international organizations should shift their behavior to ensure that globalization's positive effects reach the developing world, one must first address the question of where international aid should be focused. Whether resources and funding go to governments, civil society, or other institutions, effective international aid should require these organizations to use monies in such a way that poverty is reduced in the largest measure possible. Poverty however is the result, as well as the cause of many issues in the developing world today. Among these problems are education, health, unemployment and crime. All of these factors are inexorably tied with poverty and each other. Where does one begin to unravel this problem? As mentioned in the above quote by Carol Bellamy, one factor that has reached the top of the international community's agenda is education. Education has been linked to better health and many other benefits that combat poverty. This chapter discusses the many benefits of education and its importance in order to establish that a shift in international organizations' focus to education will also lead to greater benefits for the poor. This brief discussion on the power of education in poverty alleviation is followed by a discussion on the shortcomings of governments to provide this public good, presenting challenges in the provision of education to the international community and development agencies.

⁴ Bellamy, Carol. "Children on the Brink" in *New Agenda: South African Journal of Social and Economic Policy*; Issue 9, First Quarter, 2003, 142.

2.1 The power of education

The international community has recognized the provision of education to the poorest communities as one of the major factors in poverty alleviation because of its powerful nature and importance in both developing and developed countries. The percentage of people in the developed world that attain tertiary education is far higher than that in developing countries. The same discrepancy can be found between the richest and poorest people within a country. Education has therefore long been associated with development and poverty reduction.

Studies have shown that economic growth depends on education and life expectancy, especially at lower income levels.⁵ The World Bank finds that better health and education lead to faster economic growth. Female literacy and girls' education also contribute positively to economic growth. Education has been used throughout the ages as a means of oppression as well as of power. In general, if any group is denied education, it reflects the inability for that part of civil society to reduce their poverty state. Low female education means that women are unable to find jobs that require higher skills, meaning, in many countries, an inability to escape rural poverty. On the same note, lesser education opportunities may imply poor education opportunities for the next generation, perpetuating poverty. Studies from Peru and Vietnam in the mid- to late-nineties show that the higher the education in a household head, the larger the per capita growth expenditures in the subsequent period, having the biggest benefits for the poor.⁶ The international community has

⁵ Alok, Dean Jameson (2000). *Modelling the Effects of Health on Economic Growth* in World Bank. *World Development Report 2000/2001*. (Washington DC: World Bank, 2001), 49.

⁶ World Bank. *World Development Report 2000/2001*, 93.

increased interest in education and health due to their link to higher incomes and increased consumption, as well as improving the condition of the poor.

The first reason for the positive effect of education on economic growth can be linked to the fact that poverty reduction increases social welfare, in part due to efficient use of all available labor. East Asian countries are able to use the full potential of their workforce because of “strong educational attainment and a supportive policy and institutional environment.”⁷ Education therefore enables countries to use their human resources efficiently and to improve their socio-economic development through continued investment in human capital or the economy. In fact, Nobel-laureate economists have estimated that education is one of the best investments, even more than investments in physical capital.⁸ Education is one of the best investments due to returns in efficiency, productivity and socioeconomic development of its people, all of which lead to socioeconomic development in the country itself. International institutions, such as the World Bank, that focus on investing in the developing world, therefore, should focus their attention and activities on this area of development that has such a high rate of return.

Another reason why international organizations should focus on education development is because of its effects on reducing non-income poverty. Poverty is defined in two parts: income and non-income, which reflects quality of life and the provision of public goods. Both income and non-income poverty affect the inequality in today’s world. The World Bank finds that “countries and regions with similar per

⁷ World Bank. *World Development Report 2000/2001*. (Washington, D.C.: World Bank, 2000), 49.

⁸ World Bank. *Education Strategy Paper 1999*. (Washington, D.C.: World Bank, 2000), 6.

capita incomes can have quite different outcomes in non-income poverty.”⁹ Poverty and inequality cannot be measured purely in terms of GNP or household income. Inequality in the world comes from unequal opportunities and the uneven allocation of goods, services and standards of living. Many people view the lack of education and health services as non-income poverty, emphasizing the importance of the proper provision of public goods. Good health and education contribute to alleviating the aspects of poverty which have little to do with money. In the Civil Rights movement, Martin Luther King, Jr. saw one way of speeding up the process of achieving worldwide justice as being education.¹⁰ Education is important in its impact on the reduction of poverty and in its ability to reduce the socio-economic gap that exists between the rich and the poor. Educated people, as a whole, earn more money and therefore are able to be more productive and feel more empowered because of an increase in opportunities. Education, such as in planned parenting and sex education, also improves health and nutrition in the general population. Education can also promote social development in terms of social cohesion by reducing the gap in income and opportunities between the rich and the poor. Education, health and other public services help directly alleviate both income and non-income types of poverty, unlike economic changes which often do not reach the poor.

States are called to provide public goods, in one aspect, to improve the situation of the poor. The poor especially struggle with physical isolation and with market failures in the public goods realm. When private markets fail, the government may be the only provider of services. Many countries however have low institutional capacity to sustain

⁹ World Bank. *World Development Report 2000/2001*, 57.

¹⁰ De Gruchy, John. *Christianity and Democracy*. (South Africa: David Philip Publishers, 1995), 140.

educational development.¹¹ When the state fails in service delivery as well, the needs of the poor are not addressed unless someone is there to intervene. As mentioned above, without international recognition and help, weak governments and the poor will be lost. Wendy Hunter and David Brown have found that “a growing body of literature suggests that international organizations (IOs) exercise considerable influence on policy making in the developing world.”¹² International organizations therefore have the influence necessary to aid those people who, due to weak states, are neglected in terms of education and lack other public goods. The next section discusses the shortcomings of governments and the international community in getting education to the poorer communities and the need for a shift in international institutions’ behavior.

2.2 The state of education

Despite the importance of education in poverty alleviation, education is not getting proper attention or is not developing, even in the developed countries. The main issue is that education is “insufficiently targeted to the poor, especially poor girls, in many countries.”¹³ Education is considered to be one of the most important public services in the most powerful nation in the world. The US government budget allocates an estimated US\$40.1 billion on education, second only to spending on defense.¹⁴ Despite such spending, the US education system is not held in high regard by the rest of the world. In fact, since 1984, when the National Commission on Excellence in Education stated that, “[o]ur nation is at risk...If an unfriendly foreign power had

¹¹ World Bank. *Education Strategy Paper 1999*, 11.

¹² Brown, David and W. Hunter. “World Bank Directives, Domestic Interest, and the Politics of Human Capital Investment in Latin America” in *Comparative Political Studies*, Vol. 33, Issue 1 (Feb 2000).

¹³ Berry, A. and Culpeper, R. and Stewart, F. (eds.). *Global Development Fifty Years after Bretton Woods*. (London: The North-South Institute, 1997), 41.

¹⁴ “Budget of the U.S. Government: Fiscal Year 2001.” Washington, D.C.: U.S. Government Printing Office, 2001.

attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war,”¹⁵ the US has been struggling to improve conditions for its poorest communities through better schools. Despite school choice, incentive programs, and other methods of improvement, the US has not made significant strides for its poorest children. Minorities and those who come from homes of lower incomes fall a significant amount below the national average on the SATs, and these scores are measuring just those who are going to college.¹⁶ Even with incredible amounts of spending, the National Commission on Excellence in Education likens the state of the education system in the US to a weapon of war. Even the most developed country today is struggling with the question of education to reduce poverty and to further development. If the American government is unable to address its educational problems, how are the governments of developing countries coping?

The 1980s saw a decrease in the ratio of social expenditure, which includes education and health, to total government expenditure in 12 out of 17 African countries. In 13 out of the 17, public expenditure on education and health as a proportion of GNP declined. Spending on education also fell from 15.4 to 12.8 percent of the average budget in these countries.¹⁷ The mid-1980s and 90s saw public spending on education increase slowly. These increases should have targeted preprimary and primary education, as they “increase cognitive skills and earning

¹⁵ National Commission on Excellence in Education. *A Nation at Risk: The imperative for education reform*. (Washington, DC: US Department of Education, Nation Commission for Excellence in Education, 1983) as quoted in Braden, Jennifer and Good, Thomas. *The Great School Debate: Choice, Vouchers, and Charters*. (New Jersey: L. Erlbaum Associates, 2000), 34.

¹⁶ “2001 College-Bound Seniors: A Profile of SAT Program Test Takers, National Report.” College Entrance Examination Board, 2001.

¹⁷ Berry and Stewart. “Market Liberalization and Income Distribution” in Berry, Culpeper and Stewart. *Global Development*, 224.

capacities more cost effectively than secondary and higher education.”¹⁸ However, money went mainly to tertiary education which means that the benefits were received by mainly the better off groups and were not as efficient as possible.¹⁹ The state of education in 1993 is described in the Human Development Report of the UN Development Program (UNDP), which states that “‘a third of the black population [in developing countries] over 15 years of age are illiterate. Three-quarters of black teachers are either unqualified or under qualified for their job. The education system thus perpetuates a vicious cycle of deprivation and discrimination.’”²⁰ Up until the mid-nineties, education funding in developing states were inefficient and ineffective.

Since 1993, education provision has not improved greatly. Expenditures in primary education ranged from 33% in Uganda to 86% in Ghana, with the poorest children not attending school in 1996. In fact, data shows that social spending misallocations are working against the poor.²¹ Looking at the World Bank’s World Development Report from 2000/2001, illiteracy reached up to 78% for males over the age of 15 and to 93% for females in Niger in 1998.²² In fact, in 2000, the number of primary school-aged children not attending school was at 115 million, 79 million of which had never attended school before.²³ The US Agency for International Development (USAID) finds that in 2003, “[m]ore than 900 million adults are not literate, primarily in developing countries. More than 125 million children who

¹⁸ Berry, Culpeper and Stewart. *Global Development*, 41.

¹⁹ World Bank. *World Development Report 2000/2001*, 82.

²⁰ 1993 Human Development Report of UN Development Programme as quoted in Potter, Philip, “The Task Ahead” in Webb, Pauline (ed). *A Long Struggle: The involvement of the World Council of Churches in South Africa*. Geneva: WCC Publications, 1994, 120-1.

²¹ Ibid, 22.

²² “Selected World Development Indicators” in World Bank: *World Development Report 2000/2001*.

²³ “Millennium Development Goals” on the World Bank website. April 2003. <<http://www.world-bank.org>>. 2 September, 2003.

should be in school are not.”²⁴ In Africa, the World Bank has found that education has stagnated. Forty percent of the population is illiterate. The growing number of school-age children and too few public resources are creating a larger education gap with the rest of the world.²⁵ One can easily see from such figures that development through education has not made significant strides since the UNDP report in 1993 despite international attention. Not only does this mean that the state of education has not improved but that economic growth has been undermined and that the poorer countries have struggled in their move toward sustainable development. In 2001, the education levels in half of the 48 sub-Saharan African countries were found to be far below historically required achievement for sustainable economic growth and poverty reduction.²⁶

A major issue underlining the state of education and the struggle governments face in its provision is the cost of education. Schooling, even when provided, does not mean that it is free. Its cost often prevents the use of schools by the poor, perpetuating poverty. Poor families must weigh the opportunity costs of education for their children versus their productivity if they work. Another consideration is how to find the funds to send children to school, leading to either the reduction in consumption of the household, or often debt. Proof of the benefits of lower school fees is witnessed in Uganda where primary education enrollment doubled in the 1997/98 school year when parents paid only half the school fees.²⁷ A further study in Malawi also saw the doubling in enrollment rates with complete abolition of school

²⁴ USAID website. 30 July, 2003. <http://www.usaid.gov/our_work/education_and_universities> 15 August, 2003.

²⁵ Verspoor, Adriaan. “A Chance to Learn: Knowledge and Finance for Education in Sub-Saharan Africa.” (Washington, D.C.: World Bank, Feb 2001), ix.

²⁶ World Bank. *Education Strategy Paper 1999*, 31.

²⁷ Ibid.

fees. Nazneen Kanji further states that girls are more negatively affected than boys by school fees, which may, as mentioned above, reflect poor economic growth.²⁸ Schools and poorer communities already struggle with the funds they receive from the government. Without outside help, it would be impossible for schools to provide free education, or even to lower school fees, thus leading to the reduction of the number of children able to attend.

One of the most successful developing countries, South Africa, is also struggling with the question of education. Equal education in South Africa is a goal of the state, but many people are disillusioned by the state's low response to education needs, even as small as the provision of materials, due to other priorities.²⁹ In the 2002 school year, of R48-million allocated to the Thuba Makote Rural School Building Project, which was set up by the South African Treasury, only R1.5-million was spent. Financial management and quality enhancement in school education grant money was under spent by 54%.³⁰ The South African government therefore is still not able to allocate its resources as planned. When one looks at present day South Africa, one of the better-off developing countries, one sees that inequality still exists, especially in educating the poor. The ability of the state to address poverty through education appears to be very limited, especially when considering the American case. At the same time, international aid is not working effectively in helping the government reach the poorer communities.

²⁸ Kanji, Nazneen. "Poverty Reduction and Policy Dialogue: The World Bank and the State in Zimbabwe, Zambia and Malawi" in Braathen, E. and Kanji, N. and Wilson, F. (eds.). *Poverty Reduction: What Role for the State in Today's Globalized Economy?* (Cape Town: CROP/NAEP, 2001), 117.

²⁹ Wa ka Ngobeni, Wisani. "Eastern Cape education chaos" in *Mail&Guardian*, April 26 to May 2, 2002.

³⁰ Macfarlane, David. "Education's marginalized millions" in *Mail&Guardian*, April 15 to 25, 2002.

The challenge of providing education in the developing countries may be due to governments failing to acknowledge the needs of the poor, such as education, or their inability to address the problem themselves. Reasons for government failures in the provision of public goods are acknowledged to range from corruption that occurs in many developing countries, inefficiencies in bureaucracies or high foreign debt that takes government spending out of public goods into paying off interest on loans.³¹ These problems mean that money does not reach schools or that governments are unable to supply the resources necessary for successfully providing education to their communities. These challenges are what face governments and the international community in the provision of public services and on the road to poverty alleviation.

Though education is acknowledged as a powerful tool in poverty alleviation, its provision has proven to be a challenge to many governments. Governments, whether in developed or developing countries, have been unable to provide its people with this public good satisfactorily. Developing countries are finding it difficult to have sustainable development, not only for economic reasons, but for social and political reasons as well. States, left on their own, are unable to combat all of the complex factors preventing efficient provision of education. Because of the powerful nature of education on economic development as well as the reduction of non-income poverty, international organizations should begin to change their behavior to focus more greatly on ensuring the provision of education and other public goods. This behavioral shift has already begun in that the international community recognizes the

³¹ Easterly, William. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. (USA: MIT, 2001), Chapter 7 "Forgive Us Our Debts."

challenges that governments face in terms of service provision. International organizations, such as the World Bank, are now providing aid to governments to ensure that the gaps in public good provision are filled. The next step in unraveling the question of how to best alleviate poverty is to find the approach to developmental aid that is the most effective. The next chapter explores the methods by which the World Bank has already attempted to address development issues in order to evaluate in Chapter Four which of its “behaviors” can be changed to be more effective.

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Chapter 3 The World Bank's Role in the Global Community

The World Bank is an international organization that has been providing support and advice to weak governments for over fifty years. It was first formed as the International Bank for Reconstruction Development (IBRD) after World War II to aid Europe and Japan in their efforts to rebuild. Since this time, it has shifted its focus to “the promotion of world-wide, of sustainable economic development and poverty reduction.”³² Its “main focus is on helping the poorest people and the poorest countries.”³³ The World Bank is perhaps one of the most dominant international institutions in existence today in that it has “supplanted the IMF’s traditional ‘house-keeping seal of approval function’” on lending and also influences the policies of bilateral donors and regional development banks today.³⁴ Governmental policies are also affected through World Bank loans and policies in terms of economic development and poverty reduction. Another name for the World Bank has become the ‘Knowledge Bank,’ which is “a repository of best practice in development assistance.”³⁵ No other institution is as valuable a resource for research, data, and economic analysis of the developing world. The Bank has more information available than smaller organizations due to staff, its status as an international organization and larger amounts of funding, witnessed by the fact that lending commitments from two of its branches, the IBRD and International Development Agency (IDA), reached \$19.5 billion in 2003.³⁶ These many factors make the World Bank one of the most

³² Gilbert, C. and A. Powell and D. Vines. “Positioning the World Bank” in Gilbert, C. and Vines, D. (eds). *The World Bank*. (Cambridge: Press Syndicate of the University of Cambridge, 2000), 39.

³³ World Bank website. 2003. <<http://www.worldbank.org>> 2 September, 2003.

³⁴ Ranis, Gustav. “The World Bank Near the Turn of the Century” in Berry, A. and Culpeper, R. and Stewart, F. (eds.). *Global Development Fifty Years after Bretton Woods*. (London: The North-South Institute, 1997), 73.

³⁵ Gilbert and Vines. *The World Bank*, 33.

³⁶ “Where does the money go?” on the World Bank website.

important global institutions to study when determining what the best actions are in development and what gaps still need to be filled by the international community in order to alleviate poverty. The World Bank is therefore the focus of this dissertation. In order to better analyze The World Bank's policies, one must take a look at its strategies in the past.

3.1 The formation of the World Bank

When the World Bank was formed in 1946, its goals were to borrow funds and to lend them to governments for projects in the reconstruction efforts. These loans lasted for ten to twenty years. Loans and bank activities are still a main part of the World Bank's role as an international organization today. 1956 saw the formation of the International Finance Corporation (IFC), providing loans to the private sector. In 1960, the IDA was formed. This branch focuses on 60 countries, mainly in Africa and South Asia, which are considered to be developing countries due to low GDP per capita. IDA gives long-term loans with concessional interest rates. 1988 saw the latest addition to the World Bank in the Multinational Investment Guarantee Agency (MIGA), which guarantees private sector investors from expropriation and repatriation risks in developing countries.³⁷ The term "bank" does indeed describe the World Bank's activities. The branches in which this paper is interested are IBRD and IDA due to their focus on development assistance and aid.

After the end of reconstruction, IBRD lost its clients in Europe and Japan. Capital began to flow to the developing countries, especially after decolonization. IBRD thus shifted its focus to development. IDA further shifted the World Bank's

³⁷ Gilbert and Vines. *The World Bank*, 12.

role to development assistance and poverty alleviation. As a bank, the World Bank first looked at the economic problems of each developing country. The first strategy for addressing poverty was to look at market failures in resource allocation and in capital flows to the poor. The Bank prescribed government planning in order to protect national economies from market failures. The 1970s brought about the 'first war against poverty,' with the President of the World Bank, Robert McNamara, bringing poverty alleviation to the forefront of the Bank's goals over economic growth. However, the failure to significantly improve the condition of the poor was met with renewed focus on economic development.³⁸

3.2 Policy in the 1980s

The 1980s brought about radical change in calling for free trade and less government interference. Governments were thought to be impeding development in the poorer nations.³⁹ Especially large governments in scope and scale were inefficient and often corrupt. Because of the structural weaknesses of states, the World Bank introduced perhaps its most well-known and controversial policy, the structural adjustment programs (SAPs) that it has sponsored along with the IMF. The first mention for the need for adjustment, especially in economic policies, came from the World Bank's Berg Report in 1981. Structural reforms and financing were again stressed in a World Bank/UNDP report in 1989.⁴⁰ Even today, SAPs are put in place in many developing countries through the advice of the World Bank and the IMF.

³⁸ Kanbur, Ravi and Vines. "The World Bank and poverty reduction" in Gilbert and Vines. *The World Bank*, 96.

³⁹ Stiglitz, Joseph. "Introduction" in Gilbert and Vines. *The World Bank*, 2.

⁴⁰ Reports summarized by Ndulu, Benno. "International Governance and Implications for Development Policy in Sub-Saharan Africa: A Review of Experience and Perspectives for the Future" in Berry, A. and Culpeper, R. and Stewart, F. (eds.). *Global Development Fifty Years after Bretton Woods*. (London: The North-South Institute, 1997), 331.

The World Bank began the SAPs in belief that they would “restore equilibrium and especially economic growth” as “sound projects were not possible in an unsound policy environment” and “because existing loan instruments could only influence policies at the project or sector level.”⁴¹ SAPs are made up of seven basic elements “exchange rate liberalization, trade liberalization, fiscal policy reform, the closing or privatization of state owned enterprises (SOEs), reform of the financial sector, opening the economy to foreign investment; and sectoral reforms of agriculture, industry and social sectors.”⁴² Both the World Bank and IMF have involvement in SAPs, but the World Bank has much influence in terms of their implementation due to the dependence of countries on its loans and the conditions it is able to impose on recipient countries. In particular, SAPs are put in place through structural adjustment loans (SALs) from the World Bank that last for eight to ten years. These loans, as well as loans toward reforms aimed at the sectoral level are conditioned on the implementation of SAPs. Bernhard Gunger and Jo Marie Griesgraber state that the IMF’s role in SAPs comes from the fact that SAPs are often “preceded by and depended on stabilization programs with the IMF” which are similar programs that are based on short-term loans to correct short-term balance-of-payment problems.⁴³ SAPs are still in use today with the recognition that governments need to be strong, not minimal, to be efficient and to ensure social and economic development.

⁴¹ Gunger, Bernhard and Griesgraber, Jo Marie (eds.). *The World Bank: Lending on a Global Scale*. (London: The Pluto Press, 1996), xiii.

⁴² Ibid, xiv.

⁴³ Ibid.

3.3 Policy in the 1990s

The 1990s found the latest change in the World Bank approach to development, which began to focus more on its actual goals, helping the poorest people and countries, which is through economic and social organization. The *1990 World Development Report* placed poverty reduction as a goal more important than economic growth. The method in the 1990s is known as the 'three-pronged strategy' in "building broad-based growth, 'human capital' development, and safety nets."⁴⁴ This new approach is exemplified in the fact that the World Bank's investment in the power sector has shrank from 21 percent of World Bank lending in 1980 to seven percent in 2002, while funding toward health, education, nutrition and other social services has grown from 5 percent in 1980 to 22 percent in 2002.⁴⁵

The methods of the nineties show that the World Bank acknowledges that one size does not fit all in terms of development assistance. The World Bank is now emphasizing "ownership and participation in the decision-making processes, and the development of capacities within countries to create and direct their own development programmes."⁴⁶ One way of increasing participation and ownership is through properly training and educating the people in civil society. In this way, the World Bank believes that each nation will be able to create and implement their own development programs to meet their particular needs, rather than having an international organization dictate the approach. The World Bank includes environmental concerns and NGOs as major parts in poverty reduction and

⁴⁴ Kanji, Nazneen. "Poverty Reduction and Policy Dialogue: The World Bank and the State in Zimbabwe, Zambia and Malawi" in Braathen, E. and Kanji, N. and Wilson, F. (eds.). *Poverty Reduction: What Role for the State in Today's Globalized Economy?* (Cape Town: CROP/NAEP, 2001), 111.

⁴⁵ "10 Things You Never Knew About the World Bank." (Washington, D.C.: The World Bank, 2002).

⁴⁶ Gilbert and Vines, 3.

development. The elimination of corruption in government is also a major part of the World Bank's approach toward development in the 1990s. Again, educating and empowering civil society is an important part in reaching this goal. Market liberalization is not the over-reaching solution any longer, but is now being coupled with other actions, such as capacity building. The World Bank thus has begun to add new conditions to its aid to developing countries. As mentioned above, the World Bank has not abandoned its SAPs nor has economic growth really taken a back seat to poverty reduction. Rather, the Bank is adding features to its approach toward sustainable development, keeping economic development a key factor in its policies.

The World Bank's goals are to find the factors that lead to poverty reduction and economic growth. Only by identifying ways to improve the situation of the poor can the World Bank truly help developing countries. The next section discusses in greater detail the World Bank's first steps toward attaining its goal of increasing capacity in developing countries and improving its development programs through the people's empowerment to create programs of their own. In particular, the second prong of the World Bank's approach in the 1990s, human resource development, is discussed through its projects in education.

3.4 New direction in education

Because of its new people-oriented goals, the World Bank, in its efforts toward poverty reduction has an interest in the state of education and other public goods in the poorer countries. In fact, as far back as 1960, the President of the World Bank, Eugene Black, stated in an address to the UN Economic and Social Council that "the

requirement for faster development of the new nations in Africa...is more education and training at all levels.” The stance of the World Bank was re-emphasized in 1999 by James D. Wolfensohn, the President of the World Bank, in stating that “[a]ll agree that the single most important key to development and to poverty alleviation is education.”⁴⁷ The World Bank thus has determined that education is the most important factor in achieving its main goals of development and poverty reduction for at least the last 40 years. The following sections discuss the role of the World Bank in service provision, the reason for this necessity, and its actual movements in improving education for the poor.

3.4.a *The World Bank as service provider*

The World Bank is interested in the provision of education as a public good because of the positive effects of education in a changing world. The effects of education on creating higher economic and social returns to investment, lower fertility rates, better health, and increased productivity in terms of labor and the economy as discussed in the previous chapter are particularly relevant to its goals.⁴⁸ The World Bank recognizes five trends in the present world that affect developing countries. First, democratization is leading to the decentralization of decision making. The second trend is that market economies prevail, which leads to less security. Investment in human capital thus grows in importance for companies to be competitive in a globalized world. Technological innovation is the fourth trend. Access to information, what should be learned and the method by which it is learned

⁴⁷ The previous two quotes are from Verspoor, Adriaan. “A Chance to Learn: Knowledge and Finance for Education in Sub-Saharan Africa.” (Washington, D.C.: World Bank, Feb 2001).

⁴⁸ Kanji. “Poverty Reduction” in Braathen, Kanji and Wilson. *Poverty Reduction*, 112.

is changing, increasing opportunities to improve education in all parts of the world. The fifth trend recognized by the World Bank is that public and private roles are changing. The government's role as direct producer and provider of goods and services is decreasing while it is increasing in terms of facilitation and regulation of economic activity. Therefore, other institutions are needed to take the place of governments in providing services such as education. If institutions, such as the World Bank, do not help in debt relief or in ensuring that there is wide access to improvements in education, then the rich-poor divide may increase.⁴⁹ The following section will discuss actual actions that the World Bank is taking in order to improve education in the world, focusing mainly on its *Education Strategy Paper* from 1999.

3.4.b *The World Bank's method of improving education development*

The World Bank has shown the greatest interest in working with campaigners for education out of the intergovernmental agencies.⁵⁰ Its interest in education is underlined by the fact that education has been in World Bank policy since 1963.⁵¹ As the World Bank's overall goals relate to economic development and poverty reduction, its goal that relates to education is "to help clients identify and implement their next strategic steps to improve access to relevant learning opportunities of high quality – with particular focus on reaching out to the poor and the marginalized."⁵² The World Bank plans to approach its goal of human capital development "through efforts to protect and increase a country's public spending on health and education, especially

⁴⁹ World Bank. *Education Strategy Paper 1999*. (Washington, D.C.: World Bank, 2000), 1-2.

⁵⁰ Mundy, Karen and L. Murphy. "Transnational Advocacy, Global Civil Society? Emerging Evidence from the Field of Education" in *Comparative Education Review*, Vol. 45, Issue 1 (Feb 2001), 114.

⁵¹ Jones, Phillip W. "On World Bank education financing" in *Comparative Education*, Vol. 33, Issue 1 (March 1997).

⁵² World Bank. *Education Strategy Paper 1999*, 29.

at primary level,” which is achieved through opening discussions on policy, investment lending, technical advice and through conditionalities on its adjustment loans as discussed above.⁵³ The World Bank further will work with resource allocation and building institutional capacity, leading to the final result of sustainable development. The World Bank's goal that coincides with the United Nations' Special Initiative for Africa is to increase awareness of how low levels of primary education development constrain a country's ability to have sustainable economic growth and poverty reduction. Further, both the World Bank and the UN's Special Initiative for Africa aim to help create national consensus on controversial education reforms to raise enrollment and to promote cooperation and coordination between UN agencies' and bilateral donors' education development projects.⁵⁴ These international goals also conform to the World Bank's goals of creating more productive economies, cohesive societies, and effective participation in collective affairs and of improving the condition of all people, especially the poor.⁵⁵

From 1989 to 1996, total external financing for education came to about US\$6 billion on average. The World Bank accounted for almost 30 percent of this total, meaning almost US\$1.8 billion. Between 1963 and 2002, the World Bank has spent a cumulative \$31 billion on education.⁵⁶ The World Bank considers education to be “the cornerstone of a growing economy and of an open and cohesive society, and that investment in education is essential for a country's development.”⁵⁷ Further, the World Bank makes a case for free or subsidized basic education for all in the fight for

⁵³ Kanji. “Poverty Reduction” in Braathen, Kanji and Wilson. *Poverty Reduction*, 112.

⁵⁴ Ibid, 31.

⁵⁵ World Bank. *Education Strategy Paper 1999*, 31..

⁵⁶ “Assessing Impact.” World Bank website.

⁵⁷ World Bank. *Education Strategy Paper 1999*, 23.

poverty alleviation. The argument is that multiple agents are necessary for effective delivery, which includes the public and private sectors as well as civil society.⁵⁸ The World Bank has much more information on education in its database, comparing data on education participation, attainment and achievement, in order to see how education systems can be improved. Where do all the money, theories, educational development suggestions and research lead?

The World Bank, in 2003, represented seven percent of all capital flows to developing countries, 93% of which were private investment and bilateral contributions and loans.⁵⁹ IDA's lending commitment to education and other public services has been around 40 percent of its total lending (which reached \$8.1 billion in the year 2002) over the last decade. Three-quarters of these monies from 1995 to 2001 went to seventeen countries that combined have 70 percent of the world's population. 21 percent of the lending went to 35 countries that, combined, make up 13 percent of the world's population. The rest of the money went to 91 other eligible countries. Sub-Saharan Africa particularly has received more aid in education since the 1960s due to post-colonial needs and goals.⁶⁰ Aid to this region has been mainly toward 'social action programs' to create safety-nets and to reduce poverty in the poorest areas.⁶¹ The types of loans given by the World Bank are: investment loans, sector adjustment loans, hybrid combinations of investments, and structural adjustment loans.⁶² The last type of loan does not apply to education lending by the World Bank. The World Bank and its 'client' country discuss the type and amount of

⁵⁸ World Bank. *World Development Report 2000/2001*. (Washington, D.C.: World Bank, 2001), 93.

⁵⁹ World Bank website.

⁶⁰ World Bank. *Education Strategy Paper 1999*, 24.

⁶¹ Kanji. "Poverty Reduction" in Braathen, Kanji and Wilson. *Poverty Reduction*, 113.

⁶² Assie-Lumumba, N'Dri Therese. "Educational and economic reforms, gender equity, and access to schooling in Africa" in *International Journal of Comparative Sociology (Brill)*, Vol. 31, Issue 1 (Feb 2000).

lending needed. The World Bank then plays a part in policy formulation for education, which since 1999 is mainly in the form of projects.

The World Bank is focusing on projects for education development in developing countries in various forms. The goals of the projects are clear: closing the educational gap between boys and girls, focusing on primary education, increasing early child development, etc. in order to better countries' economic growth and poverty alleviation efforts. The World Bank aids these projects through lending and through suggestions from research. However, successful development of education takes more than money and data.

The World Bank's plan in developing education is different for each developing country. The World Bank says that it is focusing on the 'client.' Local culture and traditions are taken into account and the countries choose the projects and set the pace of the projects as well. Agreement with each country is essential to sustained, effective educational development. The World Bank is also trying to step away from its bureaucratic procedures of only looking at inputs, to looking at outcomes and measuring productivity. Accountability, better efficiency, more equity, sustainability and higher quality are the focus of the World Bank's plans. The World Bank also plans to work with other groups effectively in order to create, manage and transfer knowledge better to create more effective projects.⁶³

The first factors the World Bank looks at are the size of the country and therefore, the number of people education development programs can help, and then at the amount of borrowing. The amount of borrowing shows the potential of developing larger projects that benefit a larger number of people. However, the

⁶³ World Bank. *Education Strategy Paper*, 38.

World Bank also looks at the number of poor that would benefit more greatly from larger projects that spread resources. In this way, small countries do not lose education development projects just because they borrow less money or have smaller populations.⁶⁴

The next consideration of the World Bank is how effective education development projects will be in a country. If governments are uncooperative or if projects are already in place, the World Bank will focus on other countries. The two questions that the World Bank asks are if there is room to improve and if there is room to maneuver. The first question focuses on countries that already have projects in place. If World Bank aid will not improve upon these projects, then it is not needed and can be given elsewhere. The second question looks at governments and the possibility for action in terms of educational development, if governments will be unwilling to cooperate or if there are other challenges.⁶⁵ The World Bank takes projects where it can be most effective. The above factors contribute to the decisions made on which countries will receive of aid for education development.

The World Bank then asks a set of questions. These questions “operationalize the priority areas...and principles” mentioned above. These questions outline educational issues and priorities. For example, the World Bank asks if education is equitable in each country in order to see if projects in educational development for females and minorities are needed. Again, the World Bank looks at the particular needs of individual countries in order to determine a plan of action. The World Bank

⁶⁴ World Bank. *Education Strategy Paper 1999*, 39.

⁶⁵ *Ibid.*, 40.

uses these questions to help integrate education policy with other developmental issues, such as economics and politics.⁶⁶

Once projects are in place, the World Bank then collects, shares and analyzes data in its Education Knowledge Management System (EKMS). This database serves to record development attempts and to spread effective projects and factors of focus. The World Bank wishes to create sustainable educational development projects and therefore wants to spread this data in order to “improve the effectiveness of education sector staff.”⁶⁷ The World Bank’s own staff can learn from the information gathered and improve their expertise and effectiveness. The World Bank is thus striving toward becoming the “Knowledge Bank” mentioned by Gilbert and Vines above.

The final step in the World Bank’s method is to evaluate its performance. The Operations Evaluation Department (OED), Quality Assurance Group (QAG) and the education staff record ways to improve performance and effectiveness. Reports on progress, success and failure are given to the Education Sector Board every six months in order to help in monitoring and accountability.⁶⁸ In addition, since November, 2000, the World Bank has created its Corporate Committee on Fraud and Corruption Policy to develop policies to help in the World Bank’s goals of poverty reduction. The Quality Assurance and Compliance Unit in its Environmentally and Socially Sustainable Development has undertaken the development of safety nets and precautions since 2001.

⁶⁶ World Bank. *Education Strategy Paper 1999*, 40.

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*, 43.

Because of the World Bank's capacity for retaining a large highly skilled staff, for large amounts of research, data and funding, it is one of the most influential international organizations in development and therefore the study of this dissertation. Over the years, the focus of the World Bank has slightly shifted from its goal of economic development first and foremost to also attempting to address its secondary goal of poverty alleviation for the poorest people in the poorest countries. While the methods of World Bank aid to education seems to be thoroughly laid out, the implementation and success of its policies are less clear. Despite its reinforcement of poverty alleviation and education on its agenda, the World Bank is still most influential in economic terms and is still implementing SAPs. The next chapter focuses on evaluations of World Bank policies. In doing so, one is able to evaluate whether it, along with the international community, is successfully addressing shortcomings of weak governments in development and in providing development and public goods for their people. Only from studying the shortcomings of the World Bank can one hope to evaluate what "behavioral" shifts would best increase the efficacy of policies that address poverty alleviation and the provision of education.

Chapter 4 Evaluation of World Bank Policy

“Our dream is a world free of poverty. To fight poverty with passion and professionalism for lasting results. To help people help themselves and their environment by providing resources, sharing knowledge, building capacity, and forging partnerships in the public and private sectors.”

~World Bank Mission Statement⁶⁹

How effective has the World Bank been in achieving its mission and goals? Chapter Three discussed the methods and policies of the World Bank in tackling the issues of poverty and economic development. This chapter focuses on the evaluation of these policies from within the World Bank as well as from outside sources. In discussing the critique around World Bank policies, one can better understand their shortcomings and suggest how the World Bank can improve its “behavior” and perhaps find ways forward.

4.1 The World Bank’s evaluation of its own performance

The World Bank’s most recent report on it and other donor’s effectiveness, *The Role and Effectiveness of Development Assistance: Lessons from World Bank Experience*, created in 2002, lists much success. The highlights of these successes include increases in life expectancy by 20 years in developing countries over the past 40 years, illiteracy being cut almost in half (from 47 to 25 percent of all adults) over the past 30 years, and the number of people living in abject poverty finally beginning to decrease after two decades of rising figures. The report contributes the improvements in the developing world to better “policies, institutions, and governance, and through well-designed

⁶⁹ The World Bank website. 2003. <<http://www.worldbank.org>>. 2 September, 2003.

projects and programs” implemented by governments, the development community and civil society organizations.⁷⁰

The World Bank admits however that progress is not always made and that development assistance has not been fully effective. In particular, from 1965 to 1999, Sub-Saharan Africa has seen a reduction in life expectancy due to AIDS, and average incomes have not improved since 1965. Specifically, the World Bank reports that neither central planning nor the minimal-government free-market approach was effective.⁷¹ To address the short-comings of its own SAP reform strategies, the World Bank and IMF are trying to create social safety nets, mitigate costs, and to improve public expenditures and equity of economic policies.⁷² Further steps are being taken by the World Bank through more open dialogue, including “inputs from various segments of society in its development assistance strategy.”⁷³

In terms of the evaluation of its own performance, the World Bank finds that its IDA funds have been used effectively, being “50 percent more efficient than overall official development assistance (ODA).”⁷⁴ In fact, the World Bank says that each dollar of IDA lending increases to nearly two dollars in gross investment. Such success is thought to be through well-targeted aid which “increases private investment, both domestic and foreign, by supporting improved policies and helping to strengthen the regulatory framework, institutions and infrastructure that entrepreneurs require.”⁷⁵ The

⁷⁰ Above information from “Assessing Impact” on the World Bank website.

⁷¹ Ibid.

⁷² Buhera, Grace. “As poverty soars, how reliable is the World Bank, IMF development policy?” (Zimbabwe: Southern African Research and Documentation Centre, 2000).

⁷³ Kanji, Nazneen. “Poverty Reduction and Policy Dialogue: The World Bank and the State in Zimbabwe, Zambia and Malawi” in Braathen, E. and Kanji, N. and Wilson, F. (eds.). *Poverty Reduction: What Role for the State in Today’s Globalized Economy?* (Cape Town: CROP/NAEP, 2001), 123.

⁷⁴ “Assessing Impact” on the World Bank website.

⁷⁵ Ibid.

World Bank also finds that it has contributed to improvements in health and education, through its status as the largest external funder in both areas. Its projects are reported to have had positive effects and have also been adopted by other areas. Its greatest project success in education, for example, is in Bangladesh where girls' enrollment in secondary school increased from 34 percent in 1990 to 48 percent in 1997. Successes have not only been contributed to funding, but also to advice given by the World Bank to developing countries, specifically in institution building or replicating best practice projects. The World Bank sites China, India, Mozambique, Uganda, Poland and Vietnam as prime examples of its successes through advice and analysis.⁷⁶

The World Bank seems to have a very positive outlook on its effectiveness in developing countries, particularly in education and health policies. The only negative critiques have more to do with developmental aid in Africa in general, rather than a weakness of the World Bank itself. A more thorough analysis of its own role in the developmental policies in Sub-Saharan Africa and its efficacy seems lacking. Therefore, one must look to external critique of World Bank policies to get a better understanding of the successes and shortcomings of World Bank policies in the developing world.

4.2 External Critique of World Bank policies

Extensive literature critiquing the performance of the World Bank and the IMF exists today. Despite the mainly positive reports provided by the World Bank of its own performance, many critics point out shortcomings in the World Bank's structure, policies and program execution. The following sections discuss views on World Bank policies

⁷⁶ "Assessing Impact" on the World Bank website.

over its 58 years of existence. Particular attention is paid to its most recent projects and approaches.

4.2.a General critique of World Bank structures

The view of many critics of the World Bank are summed up by Gustav Ranis who calls for changes in the World Bank system, stating that the World Bank's self-evaluations, particularly the 1994 report, *Learning from the Past, Embracing the Future*:

misses the opportunity [to reassess] and is largely a justification of what has been done, and basically a public relations document. While it states that (p.17) 'the Bank Group has made its share of mistakes', one searches in vain for either an enumeration or elucidation of these mistakes; nor is there any discussion of just how the Bank intends to behave differently in the future.⁷⁷

The World Bank's assessment summarized in the previous section also discusses failures of development assistance but does not give details as to its own failures or give future changes in actions. The opinion that the World Bank "does not do enough to promote debate on the issues affecting poverty"⁷⁸ further compounds the argument that its policy prescriptions are inflexible. The lack of concrete statements toward change has created skepticism around the World Bank, its effectiveness and the reason for its existence. The criticism thus results from the feeling that the World Bank, despite admitting that assistance has not always been efficient, will continue with more of the same types of policies. The slow move forward is witnessed by the fact that at its annual joint meeting with the IMF in September 1999, the two Bretton Woods Institutions once again

⁷⁷ The World Bank Group, *Learning from the Past, Embracing the Future*. Washington D.C., July 1994 as evaluated by Ranis, Gustav. "The World Bank Near the Turn of the Century" in Berry, A. and Culpeper, R. and Stewart, F. (eds.). *Global Development Fifty Years after Bretton Woods*. (London: The North-South Institute, 1997), 72.

⁷⁸ Kanji. "Poverty Reduction" in Braathen, Kanji and Wilson. *Poverty Reduction*, 110.

mandated the increased integration of poverty reduction and growth into their operations in 75 poor countries.⁷⁹ Specifically in Africa, it is felt that more of the same development strategies will worsen present problems.⁸⁰

Consequently the World Bank is thought to be parochial in its views, transferring “management systems from Western donor professionals and bureaucrats to the State-centered elite in Africa.”⁸¹ The argument is that the World Bank does not look for solutions that fit a specific country or area, but rather tries to put Western notions and structures in place in the developing countries, even if they may not be the most appropriate in the given circumstances. More plainly, because it is largely backed by the developed countries, the World Bank is thought to be out to serve the interests of the non-poor, not the poor.⁸² Donors, including the World Bank, are thought to have too many motives, political, economic and military which cloud the humanitarian efforts. Therefore, outcomes have not been entirely successful in the way of poverty reduction.⁸³ The critique thus stems from the organizational structure of the World Bank. It is overly centralized, creating Eurocentric views, with too little dialogue with local authorities and political processes. The Volcker Commission found that the average World Bank worker spends only seven percent of his/her time on recipient country contacts. The Commission also found that even when residential missions exist, most policy decisions originate from the headquarters in Washington, D.C.⁸⁴ The conditions the World Bank attaches to its

⁷⁹ Buhera, Grace. “As poverty soars.”

⁸⁰ Engberg-Pedersen, Poul. *World Bank Management of Structural Crises in Africa: The Energy Sector*. (Denmark: Centre for Development Research, 1986), 21.

⁸¹ Ibid, 20.

⁸² Oyen, Else. “Six questions to the World Bank on the World Development Report 2000 ‘Attacking Poverty’” in *A Critical Review of the World Bank Report*. (Comparative Research Programme on Poverty), 6.

⁸³ Griffin, Keith. “Globalization and Development Cooperation: A Reformer’s Agenda” in Berry, Culpeper and Stewart (eds.). *Global Development*, 24.

⁸⁴ Ranis. “The World Bank” in Berry, Culpeper and Stewart. *Global Development*, 78.

loans, which must be adopted even if they do not reflect local considerations, further push the Bank's own views on developing countries.

A similar shortcoming in the World Bank system is that it does not take advantage of other national and international organizations' similar projects and policies. Studies from non-Western states and organizations, in particular, are ignored, creating an inefficient need to start from scratch, while losing best practices already in existence. The failure to create a division of labour among the international financial institutions "has led to a substantial duplication of effort and functions, permitted borrowers to play lenders off against each other, and helped undermine public confidence and support for the overall enterprise of aided development."⁸⁵ Such failures have led to the belief that the World Bank is arrogant in its skills and has created great inefficiencies in international donor aid. For this reason too is it thought that the World Bank is now an unnecessary organization. John Loxley suggests that the Bank's abolition would create greater efficiency through less international bureaucracy and may provide new development theory and policies from regional perspectives that are "currently inhibited by the deluge of publications, much of it little more than propaganda, emanating from the World Bank and, to a lesser extent, the IMF."⁸⁶

Several critics find that the World Bank does not pay due attention to factors surrounding a country that contribute to poverty and its alleviation. Each country is in a unique situation that includes debt and external forces that stem from the surrounding regions as well as from the developed world. In development assistance, agencies are most effective when there is an understanding of the country's individual structures and

⁸⁵ Ranis. "The World Bank" in Berry, Culpeper and Stewart. *Global Development*, 77.

⁸⁶ Loxley, John in Berry, Culpeper and Stewart. *Global Development*, 163.

institutional, political and social issues. The World Bank's Country Assistance Strategies (CAS) do not give these issues the focus and analysis they require in order to address poverty reduction in individual countries.⁸⁷ The World Bank thus has painted a hostile picture to the developing world through its inflexible policies, creating distrust and tension with organizations of civil society.⁸⁸

Once the rebuilding after World War II of Europe and Japan was complete, the World Bank's reason for existence became obsolete. It is thought that now, "the role for international development banks is becoming insignificant and the time may have come to recognize this fact and gradually phase them out."⁸⁹ The World Bank instead has changed its mission to that of creating sustainable economic development and poverty reduction in the developing countries. Several criticisms stem from the creation of this new mission statement by the World Bank. Its actions and policies are no longer clear as its mission statement is quite broad and as a successful method that would accomplish either goal has not yet been developed. Because of the lack of a single focus, Ranis criticizes the Bank for its wide-reaching scope in trying "to take over quickly the leadership on any given theme" incorporating the latest trends in functional or political topics "sometimes even [incorporating them into] its stated lending criteria." The continued changes in priorities of concerns and methods to follow trends has caused "consternation and cynicism among borrowers but also add to the Bank's administrative

⁸⁷ Kanji. "Poverty Reduction" in Braathen, Kanji and Wilson. *Poverty Reduction*, 121

⁸⁸ Ibid. 122.

⁸⁹ Ibid. 25.

costs and to the spreads charged.”⁹⁰ The World Bank is thought to be wasting money and resources on guessing how best to address development and poverty.

A second concern also follows from the World Bank’s two-fold mission. The 1950s saw the works of Kuznets, Lewis, and others show that growth and equality, the purposes of the World Bank, were in fact contradictory goals. Lewis found that inequality was necessary in order to accumulate capital. Kuznets found that growth, at least at the beginning, required an increase in the income gap.⁹¹ World Bank literature also recognizes “that policies which promote mutual interests [growth and trade liberalization] do not necessarily also promote human development or reduce global poverty or contribute to other desired objectives.”⁹² The question is then how the World Bank expects to achieve both its goals when they are not complementary.

The main body of literature that evaluates the World Bank focuses on SAPs, discussed in the previous chapter, which have problems that stem from many of the same issues stated above.

4.2.b *SAPs and their results*

Though evaluations of World Bank policies and performance vary, a broad consensus exists “on the need for fundamental overhaul of policy-based lending, known as structural adjustment programs (SAPs).”⁹³ SAPs focus on reforms in government structures and are focused on countries’ economies. Though it is acknowledged that structural changes, such as cuts in government expenditure, are necessary, there are many

⁹⁰ Ranis. “The World Bank” in Berry, Culpeper and Stewart. *Global Development*, 74.

⁹¹ Kanbur and Vines. “The World Bank and poverty alleviation” in Gilbert and Vines. *The World Bank*, 91.

⁹² Griffin. “Globalization and Development Cooperation” in Berry, Culpeper and Stewart. *Global Development*, 22.

⁹³ Gunger, Bernhard and Griesgraber, Jo Marie (eds.). *The World Bank: Lending on a Global Scale*. (London: The Pluto Press, 1996), xiii.

concerns with SAPs. One major issue is that thus far, SAPs have seemed to be “ineffective, inequitable and adopted in an unfair manner.”⁹⁴ As mentioned above, World Bank policies have been accused of benefiting the developed world more than developing countries. Though opening markets in the developed countries raises international opportunities and interest and profit rates, the same does not necessarily apply to the developing countries. When a developing country is told to allow trade liberalization while countries, like the USA, provide subsidies to their workers, such as in agriculture or steel, the people in the developing country lose because they are ill-prepared and unable to compete in such an uneven environment. It is thought that only in developing countries where the poor are heavily concentrated in primary production could removing trade restrictions improve income distribution. All other environments would see greater inequality in income distribution.⁹⁵ Restructuring and economic advice have led to increased debt and to worse economic conditions in several developing countries.⁹⁶ Countries in Africa have seen worse income distribution in urban areas, lowered minimum wage in 22 out of 29 aided countries and greater total poverty in all countries except Ghana.⁹⁷ Economic theories depend on equitable markets, rational choice and perfect information which are often missing in the real world, particularly in a globalized world with rich and poor countries. Without policy changes for all countries, whether developed or developing, SAPs cannot work in the way envisioned by the World Bank.

⁹⁴ Gunger and Griesgraber. *The World Bank*, xiv.

⁹⁵ Berry and Stewart “Market Liberalization and Income Distribution” in Berry, Culpeper and Stewart. *Global Development*, 215.

⁹⁶ Pettifor, Anne. “World Bank/IMF Forces a Famine on Malawi: Debt is still the lynchpin of global economic injustice.” July 2002. Debt Channel: <<http://www.debtchannel.org/views/opinion/>> 27 September, 2002.

⁹⁷ Berry and Stewart “Market Liberalization and Income Distribution” in Berry, Culpeper and Stewart. *Global Development*, 222.

A similar issue, as discussed in the previous section, is the need for SAPs to be designed to suit individual country needs. In countries, such as Indonesia, that have large labor forces and where educational attainment is sufficient, opening trade can be beneficial. However, in many developing countries where these conditions do not exist, such as many African nations, poverty increased after the implementation of SAPs.⁹⁸ Privatization is also an issue that has been applied from the developed countries to developing countries without evaluation of the environment in which private owners operate in the poorer nations. The private sector may only increase inefficiencies and may be unable to handle the provision of public goods in many countries, especially in Sub-Saharan Africa. The private sector is often tied to the state and its resources in the developing nations.⁹⁹ SAPs therefore do not pay enough attention to “structural rigidities, external shocks...financing gaps...social costs of adjustment and negative consequences on poverty and inequality” that differ in each country.¹⁰⁰ The criticism lies in the World Bank’s one-size-fit-all approach where local situations are not taken into account when providing SAPs.

The main critique of the SAPs is that, like the mission statement of the World Bank, an inherent contradiction exists in their design. Structural adjustment calls for changes in government structures in order to spur economic growth. However, this top-down approach has been criticized, especially because

the World Bank’s crisis-management relies on extended policy-making and implementing capacities of the [Sub-Saharan African] States, which are also seen as the cause of the crisis, while at the same time the objective

⁹⁸ Berry and Stewart. “Market Liberalization” in Berry, Culpeper and Stewart. *Global Development*, 241.

⁹⁹ Ndulu, Benno. “International Governance and Implications for Development Policy in Sub-Saharan Africa: A Review of Experience and Perspectives for the Future” in Berry, Culpeper and Stewart. *Global Development*, 343

¹⁰⁰ Ibid, 331-2.

of structural adjustment is to reduce the role of the State in economic management.¹⁰¹

The World Bank's SAPs thus have two contradictions. The first exists where weak states are called to implement policies and changes to spur economic growth while at the same time the World Bank identifies these states as one of the reasons for slow development. The second stems from the conflict between states implementing change while simultaneously reducing their role in a move toward free trade and privatization. As a result, though the aim of SAPs is rapid economic growth, "it became clear [in the 1980s] that macroeconomic recovery and structural change were slow to come in many countries" due to a reliance on weak states.¹⁰²

The fact that SAPs are aimed at changes at the top of state structures leads to another issue, that of the reliance on a trickle down effect. Free trade, as part of SAPs, is not a direct attack on poverty nor is it a strategy directly aimed at the poor communities. The goal of the SAPs is to create economic growth at the state level in hopes that in time, the people will feel the positive effects. Broad consensus exists however that "market mechanisms are too often *inefficient*, as well as frequently being unable to bring about socially desirable or equitable outcomes."¹⁰³ One example of this negative impact is present in Zimbabwe, where it is thought that the conditions for the poor worsened in the 1990s after the adoption of IMF/World Bank structural adjustment programs.¹⁰⁴ Martin Khor, the director of the *Third World Network*, states that,

[a]mong [the disillusionments] are the lack of tangible benefits to most developing countries from opening their economies; the economic losses

¹⁰¹ Engberg-Pedersen. *World Bank Management of Structural Crises in Africa*, 19.

¹⁰² Berry, Culpeper and Stewart. *Global Development*, 17.

¹⁰³ *Ibid.*, 2.

¹⁰⁴ Braathen, Kanji and Wilson. *Poverty Reduction*, 7.

and social dislocation caused by rapid financial and trade liberalization; the growing inequalities of wealth and opportunities arising from globalisation; and the perception that environmental, social and cultural problems have been made worse by the workings of the global free market economy.¹⁰⁵

Particularly the prescriptions given in the 1980s for the reduction of government size and scope led to the cutting of education and health programs that hurt the poor rather than helped them. Structural adjustment programs, in fact, often contained user charges for social services, which, as mentioned in Chapter 2, have negative effects on attendance, especially in the poorer communities.¹⁰⁶ Another disadvantage of the SAPs for the poor is that imports that are consumed by the poor are often decreased.¹⁰⁷ In contrast, the UNDP *Human Development Report* in 1990 showed that countries that focused on “poverty-conscious restructuring” on public expenditures performed better in the human development index despite low per capita incomes.¹⁰⁸ The structure of SAPs emphasizes the World Bank’s goal of economic development over the goal of poverty reduction, creating discontent with the Bank’s policies.

The uneven effects of World Bank policies, in particular SAPs, are further witnessed in that not all developing countries receive aid toward projects or structural adjustment. As mentioned in the previous chapter, the World Bank weighs where its assistance in the form of loans and projects will be most effective. Therefore, SAPs are focused on “States that show sufficient ‘political will.’”¹⁰⁹ Only countries that fulfill certain criteria and have “sufficient political will” are provided aid from the

¹⁰⁵ Khor. “Extracts from a Perspective on Globalisation,” 49.

¹⁰⁶ Berry and Stewart. “Market Liberalization” in Berry, Culpeper and Stewart. *Global Development*, 225.

¹⁰⁷ Chandrasekhar, C.P. “An Alternative to Structural Adjustment” in Gunger and Griesgraber. *The World Bank*, 48.

¹⁰⁸ UNDP’s *Human Development Report 1990* as summarized in Ndulu. “International Governance and Implications” in Berry, Culpeper and Stewart. *Global Development*, 351.

¹⁰⁹ Engberg-Pedersen. *World Bank Management of Structural Crises in Africa*, 23.

World Bank. It would seem that when governments are “bad” and are unwilling to provide services or to make necessary reforms, World Bank help is needed all the more. The World Bank’s approach is therefore criticized for not fulfilling its functions “given it by the dominant Western States...to secure socio-economic stability, or rather national solvency, in *all* peripheral countries.”¹¹⁰ It helps middle-income countries develop while the developing countries that are worst off are left behind.

Most criticisms of the World Bank’s SAPs therefore are centered on the issue of poverty and the negative effects structural reforms have had on the poor. Several writers that describe similar issues on poverty faced by developing countries since the 1980s say these problems cannot be directly attributed to World Bank policies. In fact, Albert Berry and Frances Stewart state that some of the macro-deflation was unavoidable.¹¹¹ Just as argued above, each country has a unique political and social situation, with equally individual responses to external shocks. This environment includes debts and trade issues that could affect poverty levels within countries. For example, cuts in spending on health and education may have been necessary due to severe debt overhang. Therefore, because SAPs were not the only changes in the environment surrounding developing countries in which poverty increased in the 1980s, it is unclear what factors were at fault. It is possible that the benefits of SAPs have been too small to reveal significant improvements in poverty reduction as of yet. More data may be needed to see actual results. Whether SAPs were at fault for increased poverty or whether other factors exacerbated the problem, the issue of the international community’s shortcomings in addressing the state of the poor remains.

¹¹⁰ Engberg-Pedersen. *World Bank Management of Structural Crises in Africa*. 23.

¹¹¹ Berry and Stewart. “Market Liberalization” in Berry, Culpeper and Stewart. *Global Development*, 212.

A suggestion by the critics of the World Bank's economic policies is that developmental institutions take "a more 'human-centred approach' to development than that offered by the neoclassical economic model."¹¹² The broad criticism by non-governmental organizations, the UN agencies, specifically UNICEF, and governments as to the harmful effects of SAPs on social services has caused a new direction in World Bank policy.¹¹³ As mentioned in the previous chapter, the World Bank is attempting to reverse these problems through its projects in education, health and the provision of other social services.

4.2.c *The World Bank's projects in education*

Because World Bank policies have been criticized for their negative effects on the poor and specifically in the provision of public goods, the World Bank has taken up funding projects in several areas of social services, including education. The World Bank is thought to have several advantages in education. One is that it has global and cross-country knowledge from its extensive database, which can be mobilized. The World Bank's staff is highly qualified, adding expertise to policy and implementation tasks, which only such a large and well-funded international organization can handle. The World Bank is the largest external source of funds in most developing countries, and thus has the economic means of carrying out certain projects in education that would otherwise not be feasible.¹¹⁴ The World Bank's knowledge and funding make it a good candidate for the promotion of education in the developing world.

¹¹² Berry, Culpeper and Stewart. *Global Development*, 7.

¹¹³ Kanji. "Poverty Reduction" in Braathen, Kanji and Wilson. *Poverty Reduction*, 112.

¹¹⁴ Gilbert, Powell and Vines. "Positioning the World Bank" in Gilbert and Vines. *The World Bank*, 21.

Looking at the World Bank's methods in the previous chapter, it appears that its plan for implementing effective education projects in developing countries addresses shortcomings recognized in its structural adjustment programs. The method includes evaluating each country and its needs, giving a more local and personalized plan of attack in order to improve education the most. The World Bank also gives help where it is most needed, prioritizing in order to remain realistic and not spread resources too thin. Accountability is also an important issue addressed in these development projects, in order to improve performance and effectiveness. Though the World Bank's new direction seems promising, it is still unclear as to whether the methods outlined in the previous chapter have been effective.

Upon examination of the World Bank's actions, one can see several deficiencies in its projects in education and development. Skeptics maintain that when looking at foreign aid packages, "even in the majority of cases when aid-financed projects are aimed directly at the poor, they often miss their target."¹¹⁵ The World Bank does not sufficiently show how it will overcome this challenge of ensuring money reaches its target. Because education has been on the international agenda since 1945, it is difficult to see the innovation in the World Bank's plan of attack.¹¹⁶

One criticism of the World Bank's approach stems from its attempt to provide a unique development solution for each country's situation. The World Bank's approach seems to over-individualize each education project. Through its development projects, the World Bank examines local needs and provides funding for individual community

¹¹⁵ Griffin. "Globalization and Development Cooperation" in Berry, Culpeper and Stewart. *Global Development*, 25.

¹¹⁶ Mundy, Karen and L. Murphy. "Transnational Advocacy, Global Civil Society? Emerging Evidence from the Field of Education" in *Comparative Education Review*, Vol. 45, Issue 1 (Feb 2001), 34.

projects. The World Bank does not have a best practice model for education in mind which it can adapt to local situations. Instead, it gives money to isolated projects that differ from community to community. In contrast, in 1984, the World Bank hoped to “improve the effectiveness of existing aid [in Sub-Saharan Africa] through a sharp reduction in the number and diversity of isolated donor projects.”¹¹⁷ The World Bank therefore admits that it cannot achieve success through isolated projects, though they are valuable, and yet it is approaching education and other such developmental factors through isolated studies and projects.¹¹⁸ This problem may explain why the OED deemed only 33 percent of its education projects as having achieved “substantial institutional development between 1993 and 1998.”¹¹⁹ The greatest challenge to the World Bank is to reach all communities equally so that each project is not in complete isolation, even if the approach to each community is unique. If a general template is created from best practices that already exist, then it would be easier to adapt to each separate community.

The next critique stems from the fact that these projects are only a supplement to the Bank’s structural reform packages. It is thought that projects in education have only been adopted because they are low cost projects and will improve the image of the World Bank, while the Bank’s focus is still mainly on economic development.¹²⁰ Improved education will not be beneficial if roads are not provided for students to get to school, or if transportation or teachers cannot be found to reach rural areas. Governments also struggle to pay off debt, with the heavily indebted poor countries using more than a fifth of public funds to repay debts. Corruption and low teacher accountability are also other

¹¹⁷ *World Bank Development Report 1984*, p.41 as quoted in Engberg-Pedersen. *World Bank Management of Structural Crises in Africa*, 21.

¹¹⁸ Joseph Stiglitz in Gilbert and Vines. *The World Bank*, 3.

¹¹⁹ World Bank. *Education Strategy Paper 1999*. (Washington, D.C.: World Bank, 2000), 27.

¹²⁰ De Vries, Barend A. “The World Bank’s Focus on Poverty” in Gunger and Griesgraber. *The World Bank*, 68.

factors that impede the benefits of education in poverty alleviation. The OED advises the World Bank to learn how to analyze such risk factors, to see how they influence the effectiveness of projects and to create structural reforms to address these factors, instead of only focusing on economic and governmental reforms.¹²¹ Projects in education should be accompanied by political and structural adjustments to ensure their success, but will not be effective if merely added onto existing SAPs that address mainly economic issues.

Weaknesses in the World Bank's structure and organization carry over into critiques of its effectiveness in development projects. It is the view of many that the World Bank does not spend its money as efficiently as, for example, UNDP or USAID which have far smaller budgets.¹²² As mentioned above, one of the shortcomings in World Bank structure is that many policies and projects are often started from scratch by the World Bank. The criticism that the World Bank works too much in isolation without enough interaction with other national, regional and international organizations applies to its education projects as well. Much of its inefficiency therefore stems from the fact that national, regional and international organizations now have overlapping structures and functions. The projects that the World Bank funds also are thought to overlap with that of regional banks.¹²³ The criticism comes down to the view that

the Bank undoubtedly pushes its loans even when there exist viable alternative public donor, or even private capital, possibilities. Thus, even in the poorest developing country context we frequently see donor competition for projects rather than for capital, i.e. dollars chasing projects rather than the other way around.¹²⁴

¹²¹ World Bank. *World Development Report 2000/2001*. (Washington, D.C.: World Bank, 2000), 82.

¹²² See Kanji. "Poverty Reduction" in Braathen, Kanji and Wilson. *Poverty Reduction*, 119.

¹²³ Ranis. "The World Bank" in Berry, Culpeper and Stewart. *Global Development*, 77.

¹²⁴ *Ibid*, 80.

The World Bank is thought to be repeating functions of other organizations in its attempts to branch out into more direct approaches to poverty issues. This problem leads to lending that may not be as efficient or effective, creating the Bank's portfolio of isolated projects. The World Bank is advised to curtail its lending and find best practice projects that can be used more generally to benefit greater numbers of people rather than funding any project that comes to its attention. A suggested solution to this criticism is for the World Bank to provide greater project justification and evaluation.¹²⁵

Another criticism of the World Bank's isolated projects is that governments may not be responsive to single projects. Hunter and Brown find that in Latin America, the World Bank's policies have not improved education for the poor. They say that other domestic forces override the World Bank's attempts at human capital investment. Education spending has not increased though their statistical analysis "indicates that for every dollar per capita spent last year on education, the government currently spends 94 cents" in 1999, and the distribution of resources from tertiary education toward basic education has not occurred. In fact, primary education funding dropped between 1980 and 1992.¹²⁶ More generally, the World Bank's projects do not create a strong enough response from governments. If development is to be sustainable, projects should influence the infrastructure within states so that governments may be able to adopt projects and policies in education. The World Bank's funding at the present goes to projects in individual communities. A deficiency in this type of funding is that "parallel structures to the sectoral ministries responsible for these areas of infrastructure and services" should be put in place as well to ensure the continuation and spread of

¹²⁵ De Vries. "The World Bank's Focus on Poverty" in Gunger and Griesgraber. *The World Bank*, 68.

¹²⁶ Brown and Hunter. "World Bank Directives."

successful projects.¹²⁷ Thus far, governments have not been responsive to the isolated projects of the World Bank and have not integrated them into their own policies and programs. Not only is it an issue of governments not being responsive, but a problem created by the lack of dialogue between the World Bank and state structures about successful projects and policies. In other words, the Bank is asked to “facilitate understanding about, and delivery of...global public goods” through better communication and creating sustainability.¹²⁸

Dialogue is therefore thought to be the key ingredient to successful developmental policies. Most of the World Bank’s criticisms stem from a lack of communication with other development agencies and with the state structures that create project sustainability. This missing element leads to either very broad policies that do not reach the people targeted or isolated projects that are not easily adapted in other developing countries. Partnerships between international organizations and governments alone do not work because developing countries often have governments that are weak, inefficient and corrupt in some areas, which is why structural adjustments are needed in the first place. Allowing governments too much freedom with borrowed money may only lead to it being spent on projects that have nothing to do with education and its development. The World Bank, by directly aiming its projects at the poor, shows that the government is not always the best place to allocate funds aimed at the poor. The inefficiencies and lack of cooperation in the international community also present obstacles in poverty alleviation.

¹²⁷ Kanji. “Poverty Reduction” in Braathen, Kanji and Wilson. *Poverty Reduction*, 113

¹²⁸ Gilbert, Powell and Vines. “Positioning the World Bank” in Gilbert and Vines. *The World Bank*, 53.

Despite all the shortcomings of World Bank policy that exists today, they have, as mentioned above, met with success, particularly in individual projects. Because of its invaluable resources, data and manpower, the World Bank can still be a very strong positive vehicle for change and development in the poorest countries. This dissertation does not suggest that SAPs be obliterated either. Ensuring political stability, administrative capacity and other state structures are essential to successful implementation of any policies and projects. However, World Bank methods and policies can be shifted to be more effective in attaining its goals of poverty alleviation. The common string that runs through all of the deficiencies of the World Bank approach to poverty alleviation and economic growth can be summarized as the need for greater involvement of civil society. The World Bank claims that over two-thirds of its funding to and implementation of developmental projects in 2002 involved nongovernmental organizations (NGOs) and that civil society had input into most of its country strategies.¹²⁹ Critics of the World Bank say that its new approach should make civil society, which means households and local communities, more concretely the center of the effort. This approach should also allow more popular participation in decisions surrounding development projects, both economic and social.¹³⁰ Critics believe that the World Bank can only achieve the goal of including civil society through open dialogue and the provision of information and advice at a local level. They warn however that

if more genuine policy dialogue is to take place, involving active partnerships between governments, the Bank and civil society, the Bank's negotiating style has to change and it has to be acknowledged that no

¹²⁹ "10 Things You Never Knew About the World Bank." (Washington, D.C.: The World Bank, 2002).

¹³⁰ Berry, Culpeper and Stewart. *Global Development*, 7.

institution can currently claim the technical or moral high ground with regard to poverty reduction.¹³¹

The Bank is thought to enter discussions on development with other organizations and civil society from a moral high ground. It is believed that the World Bank should acknowledge an equal partnership before its efforts in development can be successful. Programs are more likely to be successful when civil society is not only involved in discussions but in the actual decision making and implementation of policies, in order that aid can gradually be faded out and projects can be sustainable. When governments and the global community fail to look to the needs of the poor, civil society should somehow be mobilized to create dialogue and partnerships in a move toward poverty elimination. The hypothesis that a partnership of international organizations with civil society can overcome several of the shortcomings addressed above in creating better programs in education, public good development and poverty alleviation is tested in the next chapter.

¹³¹ Kanji. "Poverty Reduction" in Braathen, Kanji and Wilson. *Poverty Reduction*, 127.

Chapter 5 The Role of Civil Society

Because of limited resources in terms of financing as well as manpower, it is necessary to determine if governments, civil society, or other institutions should receive monies to reduce poverty in the largest measure possible. As seen in Chapter 3, World Bank loans and the programs of other international organizations have tended to focus on the restructuring of governments and on economic programs that run from the top down in order to address governmental deficiencies. In order to address critiques of its isolated and ineffective policies, the World Bank is encouraged to work more closely with civil society. This chapter therefore focuses on the other side of the debate, that of reaching civil society first in order to best combat poverty. It also discusses how institutions of civil society recognize and strengthen the power of public services, in particular education, which directly affects civil society and the poorer communities. In examining the historical effect of civil society on the provision of public goods, one can test the hypothesis of whether a partnership between international organizations and civil society will ensure that education development reaches the poorest people in the poorest countries. Case studies of civil society institutions as a voice for the poor and oppressed also allows for international organizations to learn what methods are effective in ensuring development reaches the poor.

5.1 Civil society as a voice for the poor

In a world of globalization, international organizations and the decline in the control of the state, the role of civil society has risen to the forefront. While states fall prey to market forces and focus on gaining economic ground in the world, its people are

often left behind. Joel Migdal says that the power of a state can be measured in its effectiveness in unifying people's wants, particularly in its capacity to: 1) penetrate society, 2) regulate social relationships, 3) extract resources and 4) use resources in determined ways.¹³³ This chapter is interested in the fourth of these capacities, particularly the role civil society must play when the state is unable to provide public goods such as in education. Even the World Bank, which has focused on economic prescriptions to the state in the past, has recognized the great need to build human resources in developing countries as seen in Chapter 3. When a weak state exists, or cannot use its resources effectively, one looks to civil society to keep the state accountable. The countries in which the World Bank provides aid are considered, for the most part, to be weak states and have weak civil societies as well. World Bank involvement has even been seen to have eroded "national sovereignty and narrowed the ability of governments and people to make choices from options in economic, social and cultural policies."¹³⁴ The question this chapter addresses is how civil society can be empowered to compensate in the absence of strong states when international organizations are unsuccessful in filling the gaps left by weak states in service provision.

5.1.a *What is needed from civil society involvement*

The international community has recognized its shortcomings in addressing poverty reduction, especially in terms of human development. The main issue is the lack of a voice for the poor. As discussed in the previous chapter, international approaches have been mainly from the top down and have received much criticism. Reforms to

¹³³ Migdal, Joel. *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. (Princeton: Princeton University Press, 1988), 4.

¹³⁴ Khor, Martin. "Extracts from a Perspective on Globalisation and Its Implications for Developing Countries" in *New Agenda: South African Journal of Social and Economic Policy*; Issue 9, First Quarter, 2003, 51.

governments alone have not been successful in sustained poverty alleviation efforts. Studies have shown that partnerships between local governments, civil society along with an active central government are more likely to create improvements in government structures and development.¹³⁵ Development in Africa, especially for its children, is also thought to need an approach that is:

broad-based and embracing of government and civil society, community groups, NGOs, activists and politicians, civil society, the private sector and international community, and involving children and young people themselves. Uniting this leadership and movement must be a common vision, of building a strong and stable Africa and of ensuring that in doing so we invest in, protect and nurture Africa's most precious resource, her children.¹³⁶

Civil society has thus risen in importance in representing the poor to governments that are weak or corrupt. Active participation by the people creates accountability from governments and international donors, ownership of programs by the poor and can help identify factors that lead to poverty in local situations, such as which areas are most in need of programs and safety nets. Poverty alleviation in the modern world, as mentioned in the previous chapter, includes putting civil society at the center of the solution through its empowerment, leading to the people's support in implementing policies.

The most effective approach by the international community would increase the people's "access to information, inclusion and participation, accountability, and local organizational capacity."¹³⁷ Conditions on loans and the call for reform from the international aid agencies will not create sustainable development. The commitment of governments and civil society are needed for programs and policies to be effective.

¹³⁵ Kanji, Nazneen. "Poverty Reduction and Policy Dialogue: The World Bank and the State in Zimbabwe, Zambia and Malawi" in Braathen, E. and Kanji, N. and Wilson, F. (eds.). *Poverty Reduction: What Role for the State in Today's Globalized Economy?* (Cape Town: CROP/NAEP, 2001), 125.

¹³⁶ Bellamy, Carol. "Children on the Brink" in *New Agenda: South African Journal of Social and Economic Policy*, Issue 9, First Quarter, 2003, 141-2.

¹³⁷ "10 Things You Never Knew About the World Bank." (Washington, D.C.: The World Bank, 2002).

Critics of the international organizations warn that “purely imported reforms have been shown to have limited effectiveness and entail significant supervision costs to donors and frustration on both sides if reforms are undertaken in an environment of unwillingness.”¹³⁸ The approach toward development would mean that civil society would be an active member in the design, implementation and upkeep of policies and programs in development and poverty reduction.

As the World Bank is criticized for its parochial, unrealistic economic views, the international community is at risk of making the same mistake. Economic theories are based on people who maximize their utility and are rational in decision-making. Social scientists have equal deficiencies due to similar false assumptions.¹³⁹ People and their decisions are shaped by their environments and are not tied to market forces nor do they follow economic theory. Civil society is therefore a powerful resource in understanding and best providing for the needs of the people as theories are deficient in these areas. NGOs, as part of civil society, are thought to have an advantage over international organizations, such as the World Bank, because they are:

more directly concerned with ethical issues and values and closely attuned to local culture and social conditions... while the Bank speaks the language of the professionals that contribute to investment projects and programs, such as economists, finance experts and engineers, not that of ethicists and social activists.¹⁴⁰

Grassroots organizations and NGOs can speak the language of the people and therefore can encourage the poor to actively participate in efforts to reduce the poverty in which

¹³⁸ Ndulu, Benno. “International Governance and Implications for Development Policy in Sub-Saharan Africa: A Review of Experience and Perspectives for the Future” in Berry, A. and Culpeper, R. and Stewart, F. (eds.). *Global Development Fifty Years after Bretton Woods*. (London: The North-South Institute, 1997), 345.

¹³⁹ Loury, Glenn. “Social Exclusion and Ethnic Groups: The Challenge to Economics” in Pleskovic, Boris and Stiglitz, Joseph. *Annual World Bank Conference on Development Economics 1999*. (Washington, D.C.: The International Bank for Reconstruction and Development, 2000), 230.

¹⁴⁰ De Vries, Barend A. “The World Bank’s Focus on Poverty” in Gunger, Bernhard and Griesgraber, Jo Marie (eds.). *The World Bank: Lending on a Global Scale*. (London: The Pluto Press, 1996), 66.

they live and can voice the concerns and needs of the people to governments who in developing countries often seem far away and unable to provide for their poor.

In order to understand how civil society can best participate in development discourse, one should study “the basis on which citizenship has been or is being constructed or reconstructed within different welfare regimes around the world; with the various ways in which ‘the poor’ may therefore be excluded from citizenship.”¹⁴¹ Through such studies, developmental strategies that ensure the participation of civil society can be uncovered. The following section looks at two case studies, in South Africa and the USA, where civil society, embodied in the Catholic and Protestant Churches, entered the political realm to give voice to the poor. When one looks at present day South Africa, one of the better-off developing countries, one sees that inequality still exists, especially in educating the poor. The ability of the state to address poverty through education appears to be very limited, especially when considering the American case. Though this paper mainly addresses the needs of developing countries, the American case becomes important because, as mentioned in Chapter 2, despite extensive funding, education development in the USA in the poorest communities has not been effective. Though policies in the developed world should not be applied to the developing countries, as discussed in Chapter 4, there are important lessons that the developing world can learn from the American case. International aid is not working effectively in helping the government reach the poorer communities in the developing world, perhaps in large part because the Western countries have not been completely effective in reaching their own poor.

¹⁴¹ Dean, Hartley. “Poverty and Citizenship: Moral Repertoires and Welfare Regimes” in Braathen, Kanji and Wilson. *Poverty Reduction*, 71.

Again, the churches are not meant to represent civil society as a whole, but rather are used as one part of civil society that has successfully helped bring voice to the oppressed or the minorities. Other institutions of civil society throughout history, such as grassroots organizations and small communities who come together for racial or for other non-religious reasons, have been equally successful in bringing the voice of the poor into the political realm. From these case studies, one can see that a new approach to poverty alleviation is needed, one where international aid takes into account the needs of communities and works with civil society agencies. The following section provides a solution through looking at the aid of the churches in education throughout history, particularly in South Africa and the United States.

5.2 The Christian Churches and Education

For a government that is weakened by debt and is unable to address all of the issues faced by the poor communities in their own countries, there are two options for development. One is through the intervention of international organizations, which as discussed in the previous chapter, are conflicted by their need to mandate economic and structural reforms to the developing world and also in their duty to helping the poor communities. The second, more viable, solution is one where grassroots organizations, which are already situated in each community, take on the role of bringing a voice to poorer communities. In the Western world, there is separation between church and state. It seems that the international organizations as well as governments in the developed world are overlooking a very important and established resource, for the purposes of this paper, the churches. This dissertation has chosen to look at the churches as

representation of civil society because they “carry out important political functions” and are necessarily, because of the separation of church and state that exists in many developed and developing countries, “outside the surveillance of state agencies.” It is also widely acknowledged that the churches “have the flexibility, the community and neighborhood roots, and often the religious and moral authority needed to relate personally to those in need and to work with existing structures”¹⁴² and thus are able to give voice to marginalized groups in civil society, whether they are the oppressed or the minorities. The churches are also the best known case studies in the provision of education in the face of government failures. It is not the assertion of this paper that the churches are the only part of civil society involved in development or that aid should be channeled directly through the churches alone. Rather, it is to provide a view of how civil society can be mobilized and the lessons that can be learned from these cases.

In South Africa, it was found that more than 70% of the South African population adheres to a religious faith, the majority of which belong to the Christian churches.¹⁴³ In the USA, the churches are thought to be the largest welfare providers.¹⁴⁴ However, Great Britain’s white paper mentioned above discusses partnerships with all associations except for religious organizations. It seems careless to leave out a group whose very calling is to “love your neighbor as yourself”¹⁴⁵ and whose people are called to heaven if they feed the hungry, clothe the naked, care for the ill and visit those in prison, looking on “these

¹⁴² See S.V. Monsma, *Overcoming Poverty: the Role of Religiously based Nonprofit Organizations*, in: S.W. Carlson-Thies & J.W. Skillen, *Welfare in America: Christian Perspectives on a Policy in Crisis*. (Eerdmans, 1996), 429 as quoted in Koegelenberg, Renier. “Partnerships between religious communities and the state: the role of the ‘National Religious Association for Social Development’ (NRASD)” in “Faith in Action – A United Response to HIV/AIDS: a report on the National Indaba in Durban 5-6 March, 2002.” (Cape Town: The Policy Project, 2002).

¹⁴³ Statistic from a survey of existing faith-based initiatives in response to HIV/AIDS conducted over 3 months, across S. Africa, from Oct. to Dec. 2002 in The Policy Project. “Faith organisations in HIV/AIDS partnership: faith in action.” (Cape Town: The Policy Project, 2003).

¹⁴⁴ Carlson-Thies and Skillen, *Welfare in America*, 429 as quoted in Koegelenberg. “Faith in Action.”

¹⁴⁵ Matthew 12:31 in *Holy Bible: New American Bible*. (Republic of Korea: Catholic Bible Press and Thomas Nelson, Inc., 1997); 1134.

least brothers” as if they were looking at Christ himself.¹⁴⁶ With such wide-spread influence, the churches should not be overlooked, as they are one of the greatest resources available in terms of aid to the poor communities.

When studying the historical role of the church as a representative of civil society in the United States, one can see the powerful influence of the church over politics and civil society. South Africa is a nation that went through its development stages toward democracy far later than in the US. The church however played a large role in apartheid as well as in the struggle for equal rights for all sections of civil society. The situations of church-state interaction in the two countries clearly indicate that the church is a powerful influence in civil society in all situations, whether the church and the state have common goals with similar priorities and strong international support exists, or when the state fails in delivering public goods or even goes against the tenets of Christianity, such as caring for all humanity, and international support is lacking. Through the discussion provided, one can see how the World Bank can meet several of its challenges in providing aid to communities through working with civil society, more specifically, how it can reach all communities equally, and can recognize local political, cultural and social concerns. This section will first look at the political role of churches in the United States, particularly in the area of education, to see how the poor or oppressed communities have benefited, and the challenges today. The discussion then turns to South Africa and the role the church played in apartheid, giving voice to the marginalized, then in the move toward democracy, giving voice to the poor.

5.2.a The church as the voice of civil society

¹⁴⁶ Matthew 26:34-40, Ibid, 1106.

When studying the role of civil societies in nations, looking at the institution of the church is particularly important because of the universal reach of Christianity. Each country has many different associations that make up civil society. The church becomes a common section of such diverse make-ups. In Matthew 28: 19, Jesus orders his disciples to, “[g]o, therefore, and make disciples of all nations, baptizing them in the name of the Father, and of the Son, and of the holy Spirit.”¹⁴⁷ Missionaries over the centuries have taken this order to heart, taking the Gospel all across the globe. Christian societies are therefore present in the majority of the world, making them ideal for overcoming barriers between the state or international organizations and the poorer communities. The church also “embraces a wide spectrum of society” and thus can help strengthen civil society better than other civil institutions and can also give a more complete picture of civil society.¹⁴⁸

Beyond the widespread nature of the church, the church is called to be the “conscience of society,” as the voice of the poor and the marginalized. It is therefore able to represent the oppressed and the minorities, whom are often neglected parts of civil society. Karl Barth argues that there is a “natural affinity” between Christian churches and civil communities.¹⁴⁹ As early as 390 A.D., St. Ambrose, the bishop of Milan, distinguished between authority from God and the authority of the state.¹⁵⁰ The church was declared to be autonomous of the state, with the right to self-determination and convictions separate from the state, fulfilling the requirements of civil society in its independence, “outside the surveillance of the state.” The church was responsible for

¹⁴⁷ *Holy Bible*; 1114.

¹⁴⁸ De Gruchy, John. *Christianity and Democracy*. (South Africa: David Philip Publishers, 1995), 220.

¹⁴⁹ Barth, Keith. “The Christian Community and the Civil Community” in Barth, *Community, State, and Church* as quoted in De Gruchy, *Christianity and Democracy*, 9.

¹⁵⁰ Dudden, F. Homes. “The Life and Times of St. Ambrose” in De Gruchy, *Christianity and Democracy*, 60.

keeping the state accountable even from its early years. Churches, by their definition, are established institutions to bring power to civil society. Cheryl Carolus argues that “churches are rooted in communities in a way that no government bureaucracy can match.”¹⁵¹ In terms of knowing the needs of the poor and being able to bring them to the attention of the state, the church is one of the most powerful associations in civil society.

University of Cape Town

¹⁵¹ Carolus, Cheryl. *Transformation in South Africa: The role of civil society and the church in the Reconstruction and Development Programme*. (South Africa: Ecumenical Foundation of South Africa (EFSA), October 1994), 24.

5.2.b The role of the church in U.S. politics

The United States is seen to have a fully democratized civil society. What is the role of the church in such a society? Doyal and Gough say that “even a fully democratized civil society would require forms of social regulation in order to maximize the health and autonomy of its people.”¹⁵² Even in the U.S. where there is a large division between church and state, the church, in particular the Catholic Church, has played an important role in social regulation, particularly in education, since the time of the first settlers. In the U.S., churches helped promote religion and thus took to the needs of their communities. Just as in South Africa, early America saw very separate communities, particularly the Protestant and Catholic communities. The problem faced by the state was how to make one education system, listening to all parts of society. The churches played a major role in giving voice to the different parts of society, leading to the public school system that exists today, that theoretically embraces diversity. However, the role of the church has diminished over time. The problem in the modern U.S. that separates the church and state is how the church can enter into the political realm with the concerns of civil society.

One of the tenets of Christianity is to be able to read the Bible in order to discern and learn the ways of Jesus. Therefore, as early as the 1600s, a school system was established in America. Children were taught to read and write so that they could read Scriptures and so that they could write. Education was seen to be empowerment where “the poor may work to live, and the rich, if they become poor, may not want.”¹⁵³ The

¹⁵² Doyal and Gough. “A Theory of Human Need.” (London: Macmillan, 1991), as summarized in Dean, “Poverty and Citizenship” in Wilson et al, *Poverty Reduction*, 70.

¹⁵³ Lawrence, A. Cremin, *American Education: The Colonial Experience* as quoted in Fraser, James W. *Between Church and State: Religion and Public Education in a Multicultural America*. (New York: St. Martin’s Press, 1999), 12.

public schools were therefore one and the same as the Protestant church in the early years of the American nation. According to Calvin Stowe, schools are institutions for building community.¹⁵⁴ From the very early stages of the settling of America, schools were thus seen as institutions to build civil society. Schools faced much of the same problems as in developing countries today, such as in Virginia, where public schools were unsupported due to rural spread, the racial divide between the white and black, and the free and the slaves, until after the Civil War. Because of its influence and tie to the school system, the church made up the bulk of civil society, having to address these problems within schools by bringing them into political discussion.

One issue with the schools was that they catered to the white evangelical Protestant rich and poor, but were not designed for others. Even when Roman Catholicism became the largest single religion in America by 1880, public schools did not accommodate the new majority.¹⁵⁵ The Catholic population thus protested the public school system through the formation of their own schools. The establishment of the first Catholic school was around 1640. Because of the Protestant dominance in society, the emergence of the Roman Catholic schools brought conflict, giving voice to more sides of civil society. The Catholic school was also created in order to address the economic divide between the already established Protestants and the newly immigrated Catholic population, especially in the 1830s and 40s, when much of the Catholic immigrants came from the poor of Europe.¹⁵⁶ Another role of the Catholic school was to allow citizens to leave the “public school system” which was based on Protestant teachings, which included anti-Catholic rhetoric. In 1842, the Catholic parochial school system was set up

¹⁵⁴ Fraser, *Between Church and State*, 35.

¹⁵⁵ *Ibid*, 49.

¹⁵⁶ *Ibid*, 50.

due to state cuts on funding to Catholic schools, leading to the church providing its own funding.¹⁵⁷ The unequal attention given to Protestant and Catholic needs caused the church to work in private manners to fight the Protestant system in early America. The churches were the earliest forms of a democracy put into practice.

Though it seems that the Catholic Church, like church institutions in South Africa at the present, was staying out of the civic public realm, the establishment of their own schools was not a discarding of the political arena. In fact, the Catholic Church continued to fight for equal education in the public schools which were state-funded. It fought legislation, such as the Blaine Amendment which called for the cutting of Catholic parochial school funding in order to maintain Protestant teaching in public schools. The success of the Catholic Church to bring the interests of its people is visible in that though the Catholic parochial schools did lose state funding, they were successful in removing Protestant symbols from schools.¹⁵⁸ The culmination of these decisions came from the Supreme Court in 1943 in the case of *West Virginia State Board of Education v. Barnette*, where Justice Robert Jackson wrote that free public education should be free of discrimination of any kind, thus calling for a democratic system of education.¹⁵⁹ As James Fraser writes, “[o]ne of the greatest tests of any truly liberal society – and liberal education – is its capacity to allow dissent about important issues.”¹⁶⁰ Therefore, the churches were able to bring civil society into the civic public realm by representing the diverse interests present. Their success was also possible because of a liberal society that allowed dissent, resulting in a school system free from prejudice. In this case, the church

¹⁵⁷ Fraser, *Between Church and State*, 57.

¹⁵⁸ *Ibid.*, 113.

¹⁵⁹ *Ibid.*, 137.

¹⁶⁰ *Ibid.*, 168.

was successful in entering the political arena because of the need to address the issues of their parishioners combined with common ideals with the state.

Another section of American society which was discriminated against in the educational system was the African Americans. In the Civil Rights movement, leaders in the African American community called for the education of blacks, not just for religious reasons, but also to disprove the myth that blacks were incapable of the mental development of the white people. Thus education was fought for by the African American people, particularly through the churches. Blacks were deprived of education in a racist America, just as in South Africa. Because blacks were discriminated against, schools were not institutions of civil society in their reach. Instead, the blacks had to turn to the only institution under their control, the church, for support of education. The church therefore played a major role in empowering the African Americans, running schools for and by the community. In fact, in 1817, the primary means to education for the blacks was the Sunday school system. Two-thirds of the Philadelphia Sunday and Adult School Union students were black. When white church members objected to integrated Sunday school classes, the black churches stepped into the role of educator. Even among slaves, the literate would preach and teach in secret. The education of the oppressed as a means to liberation lay with the religious groups.¹⁶¹

Public schools were available to blacks after the Emancipation Proclamation. A correlation between religion, black churches and education was still clear. However, as late as 1910, southern black communities were not even offered two years of high school.¹⁶² Because the only institution under their control was again the black church, the

¹⁶¹ Fraser, *Between Church and State*, 67-73.

¹⁶² *Ibid*, 80.

black community turned there for their education. Private institutions, particularly the churches, provided the education that was so important, especially to the rising black leadership.

The 1950s saw the entrance of the churches into the political life. The role of the black churches in the Civil Rights struggle was emphasized by the fact that in 1964, thirty-eight black churches in Mississippi were fire-bombed. In the Civil Rights movement, Martin Luther King, Jr., a Baptist pastor, became one of the most prominent figures, founding the Southern Christian Leadership Conference (SCLC) in 1957. Black ministers helped support and voice the discontent of the black people in America. These church leaders wanted the Civil Rights movement to be a movement for the masses, to address issues of racism and class stratification. Cornel West calls the black churches “the most visible and salient cultural product of black people in the United States.”¹⁶³ The church was then the obvious mode of bringing civil society into the political realm, becoming the voice for the oppressed. A strict separation between church and state did not yet exist.

In present day America, the churches are less visibly in the civic public realm. As John Fraser points out, in 1960, John F. Kennedy was successfully elected president by proving that he would not be influenced by his Catholic background in decisions, such as by refusing federal aid to parochial schools.¹⁶⁴ In a society with complete separation of church and state, what is the role of the church in civil society? What separation of church and state means is that they are not in the same realm, and that the state is not influenced by the church. It appears as though the church is completely removed from

¹⁶³ West, Cornel, *Prophetic Fragments* in De Gruchy, *Christianity and Democracy*, 135.

¹⁶⁴ Fraser, *Between Church and State*, 143.

the civic public realm. In the case of the United States however, churches still play a role in the expression of dissatisfaction of civil society with the state, such as in education.

In the U.S., inequality still exists in its education system as discussed above. The church's role in this diverse society in which equality still does not exist is again to provide the less fortunate with a voice. There are 7000 Catholic pre-schools, elementary and middle schools and 1200 Catholic high schools across the U.S., serving over 2.5 million students.¹⁶⁵ In 2001, religious school students performed better on the SAT than public school students, as did private school students.¹⁶⁶ Because the average private school costs about \$6,631, they are not affordable for those in the lower income brackets who are not as well served by the education system. Catholic schools have an average tuition of \$2,178, which is at least a bit more affordable. Some parents wish to move their children not only for academic reasons, but also for moral reasons. In a world of the separation of the church and state, many parents feel that public schools have lost sight of morality. Religious schools give parents the ability to express dissatisfaction with the public schools that are under federal jurisdiction. The state therefore will have the responsibility to improve its schools.

Though the U.S. government is recognizing the benefits of religious organizations in terms of education and choice, it is very careful to ensure that there exists no overlap between state and religion. The churches' ability to bring the needs of the poor to the attention of the state lies in the common ideals of the state and civil society in providing equal opportunities to all people, with education being one of the top priorities for both.

¹⁶⁵ National Catholic Education Association webpage. <<http://www.ncea.org>> 5 June, 2002.

¹⁶⁶ "2001 College-Bound Seniors: A Profile of SAT Program Test Takers, National Report." College Entrance Examination Board, 2001.

Yet, equality has remained elusive. The churches have taken action in a private manner, having:

created non-profit corporations for the development of low-income housing, health clinics, credit unions, community development corporations, schools....Many of these organizations are also becoming vehicles for a larger partnership as they bring together the resources of the church and the poor as well as public and private donors. Outside development agencies are discovering that in many downtown neighbourhoods, the church is the only stable, respected and potentially effective institution remaining.¹⁶⁷

Though religious schools have been more successful than the public schools, the strict separation of religion and state in terms of funding and capacity-building is preventing the government from using one of its most powerful resources. The church cannot be overlooked as a voice of civil society because its very teachings tell us that “it is not the will of your heavenly Father that one of these little ones be lost.”¹⁶⁸ By its very nature, the church must look to the needs of every last person. It is required to make sure the state does the same. In the United States, it is clear that the churches played a large role in education and democratic development. However, the government in its call for church-state separation is not using this resource to its fullest. A partnership with religious schools may not be the solution to the state of education in the US, but it is safe to say that it most likely would help. International institutions and governments in the developing countries can benefit greatly from learning from mistakes of the educational systems in the developed countries.

¹⁶⁷ Joseph, James – former American ambassador to South Africa from his address delivered on 5 May 1997 at the EFSA conference on the Transformation of Welfare in South Africa as quoted by Koegelenberg. “Faith in Action.”

¹⁶⁸ Matthew 18:14, *Holy Bible*, 1090.

5.2.c *The role of the church in South African politics*

Apartheid was a regime where a minority ruled over a large majority. The state was therefore strong enough to control the use of resources to the benefit of the minority, in particular the white Afrikaners. One could thus infer that civil society was weak during this period of state dominance. Like in the early years of the United States, a religious group was able to push the state to providing resources that benefited a particular section of civil society. The Dutch Reformed Church (NGK) was a powerful proponent for the minority white population. The strong civil society that existed in the NGK gave the state the power to oppress the majority.¹⁶⁹ The NGK is a prime example of the influence of the church as part of civil society and the affairs of the state, particularly in the provision of education.

Because of its deep roots in the Afrikaner communities, the NGK was able to address the main issues of the poor minority in South Africa, in particular, poor education, the rivalry between white groups and the fact that cheap African labor was taking jobs from the unskilled and uneducated Afrikaners. One policy of the NGK became to combat threats from educated, skilled blacks. Education was the key solution for this problem, through the oppression of the blacks through cutting education and helping the poor whites through improved education. In other words, the competition in low-skilled and semi-skilled jobs could be solved through apartheid, suppressing the African people and providing for the economic security of the Afrikaners. The state had, up until this point, been providing black education in order to have a responsible work force. The NGK, in contrast, wanted education for non-whites under apartheid to basically suppress

¹⁶⁹ The following summary of the history of NGK-State relations is taken from Kuperus, Tracy. *State, Civil Society and Apartheid in South Africa: An Examination of Dutch Reformed Church-State Relations*. (New York: Palgrave, 1999).

their ability to compete for low-skilled and semi-skilled jobs. Because of the support and even promptings of the NGK, the state would shortly establish a successful oppressive education policy, finally segregating schools to exclude Africans in 1950.

Another threat to the Afrikaner people was the status of the English. An economic gap existed between the white people because the Afrikaners could not catch up with the English speakers economically. Christian-National labour unions were strongly promoted in 1934, as well as Christian-National education that would give Afrikaners an advantage over not only the Africans, but over the English as well. Christian-National education promoted the education of Africans, but only so that they could live separately and independently from whites. Education was also aimed at combating an anglicized state system, giving the Afrikaans people the advantage.

The NGK was ever-present in the community, while at the same time sharing the political arena with the government. In this way, the church looked after the interests of its poor white Afrikaner constituents who were ignored by the state. As late as 1960, the state saw itself at the mercy of the NGK. Prime Minister Verwoerd, in 1960 is quoted to have said, “A church-state confrontation is now looming in South Africa. And if it’s going to happen, the state will lose.”¹⁷⁰ The strength of civil society was not denied even by the strong oppressive state of South Africa. In this case, civil society entered into the political realm through the Dutch Reformed Church because the state did not look to the needs of the minority group, and later because the state’s legitimacy depended on the theology provided by the church. The common interests of the state and the Afrikaans

¹⁷⁰ Roussow, P., interviewed by Kuperus, Tracy, Pretoria, South Africa 1 April 1993 in Kuperus, *State, Civil Society and Apartheid in South Africa*, 101.

part of civil society in combination with the movement of the NGK to address the issues of the poor whites brought about the successful rise to power of a minority group.

In the late 1970s, external pressures increased on the South African state and the apartheid regime began to lose power. The NGK's influence especially weakened when other churches across the world began to denounce apartheid, attacking its scriptural justification. The weakening of the NGK did not mean that the state had sole control. Anti-apartheid institutions began to gain ground in the civic public arena as the new representatives of civil society. As the churches in African-American communities fought in the Civil Rights movement, the South African Council of Churches (SACC) and the World Council of Churches (WCC) became the strongest voice for the African people.

Catholics and Protestants were very visible in the fight against apartheid. The WCC was founded in 1948. Due to the stifling of the majority of civil society of South Africa under apartheid in 1950, the WCC became one of the international institutions to fight against apartheid. Beginning in 1952, the WCC sent delegates to South Africa to establish closer relations with the churches, while announcing in 1954 that segregation based on race was against the Gospel message of the church.¹⁷¹ Through the WCC, black delegates to the Cottesloe conference, who made up about a quarter of the delegates, were able to explain the suffering of the Africans under apartheid in 1960. In 1968, a WCC assembly in Uppsala, Sweden concluded that,

[r]acism is linked with economic and political exploitation. The churches must be actively concerned for the economic and political well-being of exploited groups so that their statements and actions may be relevant. In order that victims of racism may regain a sense of their own worth and be

¹⁷¹ Sjollemma, Baldwin, "The Initial Challenge" in Webb, Pauline (ed). *A Long Struggle: The involvement of the World Council of Churches in South Africa*. (Geneva: WCC Publications, 1994), 2.

enabled to determine their own future, the churches must make economic and educational resources available to underprivileged groups for their development to full participation in the social and economic life of their communities.¹⁷²

The WCC was calling the churches to bring the voices of civil society to the state and to the international community, especially through making economic and educational resources available. The international organization had to step in to call churches to empower the discriminated against because the inability of many civil societies to function under racist and oppressive governments.

In 1969, the World Council of Churches launched the Programme to Combat Racism (PCR), which would later cause great controversy in the world in its support of the anti-apartheid movement.¹⁷³ The WCC donated US\$200,000 to the PCR, of which South Africa's liberation movements received much due to the state's false claim to be upholding "Western Christian Civilization."¹⁷⁴ Funds from European countries continued to accumulate. By 1980, the WCC called for the donation of US\$5 million to sub-Saharan Africa to help alleviate the human suffering caused during the liberation struggle. These monies were dispersed through national councils of churches, individual churches, as well as secular institutions.¹⁷⁵ Despite a repressive state, the WCC recognized the need to support the civil society in South Africa through the liberation movements and pushed for the South African churches to get into the fight against the state.

The South African Council of Churches gained prominence in the anti-apartheid movement when the Black Consciousness Movement and the Christian Institute were

¹⁷² Sjollema, "The Initial Challenge" in Webb, *A Long Struggle*, 10.

¹⁷³ Webb, *A Long Struggle*, x.

¹⁷⁴ Sjollema, "Eloquent Action" in Webb, *A Long Struggle*, 14-5.

¹⁷⁵ *Ibid*, 28.

banned by the state in 1977. The 1978 appointment of Bishop Desmond Tutu as General Secretary also consolidated the ecumenical struggle against apartheid in the SACC and by the 1980s, the churches were a real part of the resistance movement, with better understanding of the liberation movements. The Roman Catholic Church and the South African Bishops' Conference aided the SACC in the fight.¹⁷⁶ The mission of these groups was to care for and assist the victims of apartheid. Dr. Allan Boesak, a minister in the NGK, led an attack on the scriptural basis of apartheid.¹⁷⁷ With such a strong coalition, the anti-apartheid movement was able to force the state to pay attention, using the former power of civil society, the NGK, as its first break.

With the end of apartheid and the release of Nelson Mandela, the church had to rethink its role, though it could not leave the public political arena due to remaining conflicts. In 1991, the church held the Rustenburg Conference, calling for the church to work toward achieving "economic justice; restitution of health, education, housing, employment, and land ownership" among other goals.¹⁷⁸ The second conference with the SACC and WCC in Cape Town in 1992 also saw education as one of the "life-threatening issues facing South Africa." These conferences thus set the tone for the future role of the church. As a large advocate for people's rights in the anti-apartheid movement, the church was an important part of civil society. With the end of apartheid, the church could not withdraw from the political arena. In fact, in December 1992, Nelson Mandela called upon the church, as one of the main institutions of civil society, to look to the well-being of the new democratic society.¹⁷⁹ The church's role in post-

¹⁷⁶ De Gruchy, *Christianity and Democracy*, 206.

¹⁷⁷ *Ibid.*, 207.

¹⁷⁸ *Ibid.*, 212.

¹⁷⁹ Speech to the Free Ethiopian Church of Southern Africa, 14 December 1992 as summarized in De Gruchy, *Christianity and Democracy*, 218.

apartheid South Africa is to keep the state accountable, maintaining democracy by bringing civil society into the civic public realm. One such way is through the education of the poor, empowering them.

The role of the church in South Africa continues to be to help the poor, making sure the state is accountable to its people, especially in education and health. The state has set up programs to address these needs of the people, but is frequently unsuccessful in carrying them through as discussed in Chapter Two in terms of education. Though the church and missionaries continue to help civil society by running literacy programs and education programs in poorer areas, they once again need to voice the needs of the poor, calling for the state to allocate its resources more effectively. Equal education in South Africa is a goal of the state, but many people are disillusioned by the state's low response to education needs, even as small as the provision of materials, due to other priorities.¹⁸⁰ In present day South Africa, though inequality still exists, especially in educating the poor, without the international recognition and ability of the state to cooperate, the churches have withdrawn from the civic public realm. Instead, they are dealing with inequality in a private fashion, with private programs and bursaries. In this private manner, they are continuing to "serve the common good by ensuring more equitable distribution of educational outcomes regardless of race, culture or socio-economic status."¹⁸¹

Through apartheid and present day South Africa, one can see that the church, like in the US, has played a major role in representing civil society. They promoted

¹⁸⁰ Wa ka Ngobeni. "Eastern Cape education chaos"

¹⁸¹ Catholic Institute of Education director Nathoan Johnstone as quoted by Michail Rassool. "The state of education in SA" in "Special Focus on Catholic Schools and Education" in *The Southern Cross*, May 21 to May 27, 2003.

democracy, gave voice to the oppressed, ensured that the needs of the marginalized were met, and created international support, financially and morally in the case of South Africa. One can see that strong ties between church and state existed and still exist. Though the condition of inequality still exists today, the churches, like in the United States seem to be addressing issues in a private manner. The reduction in power of the Vatican and the Pope in Europe also reflects the Western world's decline in interest in religious institutions. However, a renewed respect for the importance of civil society in developmental policies necessitates the study of how the churches give voice to the poor when governments and the global community fail to address their needs in order that the role of civil society in development dialogue can be determined. The power of the churches lies in the fact that they are deeply rooted in the community. They know the needs of the people and, especially because of their moral beliefs, the churches must address these issues, calling governments accountable. They are just one example of civil society that is mobilized and helping move toward poverty alleviation, through increased equality. The churches, of course, are not the only successful organizations in civil society, nor the only religious groups, to give voice to the poor. It will be very important for international organizations to recognize all members of civil society who are effectively working to increase aid that reaches the poor in education. The accomplishments of both the churches and other sections of civil society can help international institutions assess their own "behavior" and how they can adapt to be more effective in creating development policies that reach the marginalized and oppressed.

Chapter 6 Conclusion and Recommendations

Through the analysis of government and international organization's deficiencies in the provision of development and education to the poor, the questions this dissertation poses are: *How can the World Bank improve developmental policies to ensure the attainment of the international community's Millennium Development Goals, particularly that of universal primary education? What "behavior" should international organizations exhibit in order to best address poverty and education?*

Education is an issue present in developed and developing countries alike. The inequality of its provision leads to increased gaps in income and living standards, which is why it is on the international agenda today. The main problem governments face in education provision is the lack of resources. Particularly in developing countries, debt overhang, inefficiency, the inability to reach rural areas and the lack of funding for teachers and materials are obstacles which governments cannot face alone. The World Bank and other international organizations have tried to address these shortcomings in several ways. Economic reforms have been dominant in developmental approaches, including structural adjustment programs upon which loans are conditioned. Though movement has occurred toward the provision of aid toward policies and projects more directly related to poverty, such as in education, economic development is still the first priority.

When examining the effects of World Bank policies, one sees that economic theories and SAPs have, in many cases, been damaging to the poor and have increased poverty and inequality in many developing countries. Structural adjustment programs

have damaged the educational and health systems for the poorest children in the world. The common theme that runs through the criticisms of the World Bank is that it works too much in isolation, whether it ignores the local situations of the poor or existing studies in the international community. The damage caused by some World Bank policies is thought to be because of its ignorance of local situations and the repercussions of macroeconomic changes. Though the World Bank works in conjunction with governments, its advice and policies are thought mainly to originate from its base in Washington, D.C. without much input given by the developing states themselves. The challenges the World Bank faces are in reaching communities, creating broad-reaching programs that expand the isolated projects it funds today, balancing its goals of economic growth and poverty reduction in the developing countries, and overcoming corruption, inefficiencies and opposition from states. Looking at the list of critiques of the World Bank, it is evident that the involvement of international organizations in the developing world is by no means a quick fix for the question of development. SAPs have not been successful in ensuring political stability, solid infrastructure, etc., all of which are essential to the successful development of any country. However, despite its many shortcomings, because of its access to large amounts of funding, staff, data and research, the World Bank is still one of the most important international institutions to study. With specific “behavioral” adjustments, the World Bank can become a more effective and positive agent of change though not a comprehensive solution to socio-economic development. The main suggestion provided for the World Bank’s improvement is to incorporate civil society more greatly into the development and implementation of its poverty strategies.

From the study of the cases in the United States and South Africa of the churches as the representative of civil society, it is clear that civil society has a strong voice even in the midst of oppressive governments and low international response. These institutions however have receded to the background, tackling issues of education and poverty on a small, independent level. A large gap exists between the state of education in the U.S. for the poorest and better-funded communities. School choice and religious schools, both civil society movements, are the main voices for improvement to the education system. Developing countries can learn from the mistakes and successes made in the developed world's education systems. Grassroots organizations are important in calling attention to issues to governments as well as to the international community, keeping them accountable to the Millennium Development Goals outlined. Their mobilization would therefore be beneficial to the developing communities. A partnership between developed and developing countries, international organizations and civil society that includes finding best practices already in existence in education is the most likely to provide the results of poverty alleviation and the greater spread of education.

6.1 Recommendations

It is not in the scope of this dissertation to provide a guideline as to how the international community can eliminate poverty or how it can provide primary education to people everywhere. The answer to the first question posed is still elusive. However, from the shortcomings discussed and the suggested path of civil society involvement, it is possible to recommend a few "behavioral" changes in international organizations that may facilitate the process.

One suggestion stems from the World Bank's structure and methods. As discussed in Chapter Four, the existence of the World Bank is thought to be no longer necessary in the global system because of overlapping responsibilities with other organizations and its ineffectiveness. However, because of its large amounts of funding, data, research and staff, its abolition seems a waste of a very important resource. An important factor discussed in this dissertation is the need for civil society involvement in order that the most effective solutions to development and poverty reduction can be designed for the unique situation of each developing country. The situations surrounding both income and non-income poverty need to be carefully analyzed. The World Bank can do much in terms of country-specific analysis through the aid of civil society organizations, as a starting point in the design of effective lending and development programs. The first recommendation to the World Bank is thus to shift its "behavior" from that of a financial 'bank,' to that of the 'Knowledge Bank' discussed by Gilbert and Vine through greater participation in the development and search for best practices in education and poverty alleviation. As Gustav Ranis suggests, the World Bank's "effectiveness would be enhanced if the Bank were willing to...exercise more self restraint in lending, while playing a more narrowly defined catalytic role in the intellectual and analytical spheres."¹⁸² It would be beneficial to the World Bank to cut back lending and policy prescription until a more thorough analysis takes place on what factors in individual countries can lead to the elimination of poverty and how policies can be changed to influence these factors. In doing so, the World Bank would be shedding its structure as a for-profit bank and becoming an important resource of country-specific

¹⁸² Ranis, Gustav. "The World Bank Near the Turn of the Century" in Berry, A. and Culpeper, R. and Stewart, F. (eds.). *Global Development Fifty Years after Bretton Woods*. (London: The North-South Institute, 1997), 82.

data and best practice policies and programs in education and other development issues. As a knowledge repository, the World Bank's resources can be of great assistance, addressing its mission of reaching the poorest people in the poorest nations.

NGOs, religious groups, and the private sector often help improve access to education to the poor. The churches have played a large role in the development of democracy in the United States and in South Africa and, as witnessed in Chapter Five, have overcome state oppression, corruption and negligence in providing for the needs of all communities, especially in education. International institutions could greatly improve the reach and scope of these groups through the creation of partnerships with them. Only international institutions have the capacity, especially financially and in terms of broad reach, for the monitoring and regulation needed to ensure that basic public needs are being met in all developing countries. Of these global institutions, the World Bank is best equipped to take on this task as it has the most resources out of the international organizations, as discussed in Chapter Three. Development would benefit from an increase of aid to the state by the World Bank, particularly in service provision, which includes increasing the availability of free primary education for the poor, as well as increasing education for girls and minorities. It is not argued that involvement by international funding agencies is always beneficial. Chapter Four obviously indicates that depending on the type of intervention, socioeconomic development in developing countries can benefit or suffer from the intervention of international organizations. However, should the World Bank decrease direct involvement as a bank and become a repository of best practices and funding, it, and other international institutions, can become an increasingly positive agent of change, although not a complete solution.

The main suggestion to the World Bank's approach toward development is therefore to create networks in the provision of education that are based within communities, such as a system stemming from the churches. Governments in developing countries have dispersed much of their international aid through church-based organizations. Where there are no government intermediaries and infrastructure does not exist, the churches are the most efficient and affordable networks available.¹⁸³ Governments, as well as the World Bank have discovered that the funding of intermediaries and the creation of infrastructure to provide aid is the most costly part of any development project. Even in the US, the federal government's lesser role in providing health care was tied to an assumption that "religious groups would step in and do the job, maybe even better."¹⁸⁴ If governments are dispersing international aid using the churches and many developing countries have corrupt or weak governments where money often does not make it to the communities, perhaps international aid should cut out the middleman of the government and begin to provide aid directly to the very same organizations that are used as dispensing mechanisms. A network would mean that the World Bank would set up a system where either the church or another strong community based organization (CBO) would implement capacity-building, disperse grants and best practices in education to other groups in civil society, ensuring equal access to funding by all groups and the monitoring of the use of funding in the improvement of education. The churches are an obvious organization to use because of their already established infrastructures, monitoring lines and broad reach, but they are not the only members of civil society who could be successful networking agents. For example, in the U.S., the

¹⁸³ Statement from interview with Graeme de Bruyn, project manager at the Policy Project in Cape Town conducted on 13 August, 2003.

¹⁸⁴ Gunderson, Gary R. "Emergent Wholeness: Congregations in Community" in *Word and World*, Issue 20, Vol. 4 (Fall 2000).

NAACP has done just as much as the black churches to promote the welfare of the poorest and marginalized black people and could possibly be a better hub than the churches.

The World Bank would not be funding the churches per se but rather channeling its funding through organizations that are aware of the local situation and can best distribute monies to CBOs that are providing aid in the poorest communities. The goal should be in getting money into the communities. However, the World Bank's role would be to provide "forms of social regulation in order to maximize the health and autonomy of its people" and would "require a form of citizenship which could articulate the freedom of the individual with the interests of the collectivity, and which could furnish comprehensible parameters in relation to social structures and differences."¹⁸⁵ The World Bank would thus have to ensure that the head of the CBO network would incorporate all faiths and groups into its program of capacity building and funding. Just as in its loans toward structural adjustment, the World Bank could put conditions on its funding toward education to CBOs, such as the requisite for equal rights for all groups, religious or secular, and the protection of rights of the recipients of the education provided.

Networks create a solution to the problem of isolated projects that governments have not yet adopted. An integrated network of CBOs would ensure that best practices are shared between communities and with the government, with the World Bank sharing these policies and programs between regions, creating greater efficiency. Another criticism that would be addressed through this method is the prevention of external

¹⁸⁵ Dean, Hartley. "Poverty and Citizenship: Moral Repertoires and Welfare Regimes" in Braathen, E. and Kanji, N. and Wilson, F. (eds.). *Poverty Reduction: What Role for the State in Today's Globalized Economy?* (Cape Town: CROP/NAEP, 2001), 70.

programs and policies from being imported into the developing countries. The success of the network system would rely on eventually becoming self-sustainable. Perhaps another important role of the World Bank would be to take its knowledge as a for-profit organization to develop a way in which networks in the provision of education could become self-sustainable. The advantage of using CBOs is that when World Bank aid is slowly phased out, the infrastructure and systems set up will remain in place, ensuring sustainability, and perhaps even adoption of policies and programs by states themselves. The only caveat would be that the states themselves must be stable enough for civil society infrastructures to be able to survive and operate.

Though the organization of the churches is a great asset in the implementation of poverty reduction strategies that include civil society, any approach toward poverty alleviation and the provision of public goods should not single out one section of civil society. It is warned that “a single emphasis on strengthening the role of civil society without disaggregating and understanding the huge variation in organizations of civil society, might only produce a cheap and ‘safety-net’-oriented substitute for effective public policy.”¹⁸⁶ The emphasis on the need for networking and an all-inclusive strategy means that no group can be left out of the process. Looking at the two case studies of church actions in addressing the needs of the marginalized in the US and South Africa, it is clear that the churches have promoted democracy and given voice to the poor, rather than imposing Christianity on others, showing that political differences among CBOs can be overcome with a single purpose. CBOs that work in education will all have the same purpose of improving the condition of the poor, no matter what their reasons. As such, groups in countries where the majority of the population adheres to a

¹⁸⁶ Braathen, Kanji and Wilson. *Poverty Reduction*, 13-4

different religion should not feel threatened. It would only be a necessary step for the World Bank to identify all the various groups in civil society that contribute to education and ensure that they are aware of the network system in place and monitor whether the conditions of equality are being met. As discussed above, the focus is on the provision of aid, not on any particular religious organization. The churches are just a suggestion of a group that is rooted in most communities through which the World Bank can network.

An important question that comes from these stipulations is how networks using faith-based organizations can be viable in, for example, Islamic states. In Islamic state, though missionaries exist, the churches do not have the same networks available to them in democratic societies. A similarly established group would need to be identified to become the hub or its network. Perhaps local mosques or organizations of other religious faiths have similar networking in many countries. Other non-faith-based organizations may have better qualifications in the ability to create communication between groups of civil society in terms of education. Again, The World Bank's conditions on funding would be necessary to ensure that all CBOs in these countries have equal opportunities to receive aid. Because equality between education for girls and boys is also a goal, stricter conditions may be necessary by the World Bank in several countries that outlaw female education. Opening dialogue between governments and organizations in civil society, especially faith-based institutions, may be controversial but if the condition of the poor could be ameliorated, it may be a beneficial step to take by international organizations.

6.2 Further areas of study

Stemming from the above discussion, an interesting study would be on how the World Bank could create conditions for FBOs to provide care in countries that, in extreme cases, outlaw the practice of Christianity. Many Islamic states still outlaw education for females as well, just as the education of the black populations in the U.S. and in South Africa was banned. Education for females is considered important to economic growth as well as to democracy, as mentioned in Chapter Two. If the World Bank is able to influence countries to which it provides aid to include the use of all faith-based organizations, even the Christian groups, in the provision of education, the negligence of female education could be overcome, again like in the examples of the Civil Rights and anti-apartheid movements provided in Chapter Five. Whether and how such a controversial condition could be made on these countries without causing conflict is an important question.

Another necessary area of study is on the factors of poverty. This dissertation discusses the state of education because of the high priority it has been given by the international community. However, because each developmental and poverty issue influences the others, governments and international organizations should decide on which issues are the most important in different areas. For example, does one address health care first to provide care for those living with HIV/AIDS or does one rather address education first in order that it have positive effects on other problems, or should health and education not even be the first priorities in a given country? An interesting area of further study thus would be to create a way of prioritizing the needs of communities, to see in which areas development would benefit the

community the most. Perhaps the answer, as suggested in this dissertation is to create networks to deal with each different developmental crisis. For example, the churches could head up the network on the provision of education, private NGOs could take the lead in terms of health care, etc. A study on how many networks are sustainable and how they should interact to address the intertwined effects of each issue would be highly useful.

6.3 Concluding Remarks

When one looks at the state of affairs for children, with an increasing number of orphans due to HIV/AIDS, which may be a result of health care and lead to the inability to afford an education, it is obvious that developmental issues are not isolated problems. Unstable environments for children may lead to despair and even delinquency, especially for orphans. It becomes clear that such instability becomes a security issue for the country where these children live as well as for the global community. The level of crime in South Africa and the attack on the U.S. on 9-11 bear witness to the security issue. It is in the interest of the international community to provide aid that is effective and reaches the local level in a more efficient manner. It has become urgent that top-down reforms are re-evaluated. It is taking far too long for these reforms' effects to trickle down to the people who need aid the most.

Despite these looming issues, the churches and other organizations of civil society are ready and equipped to tackle the issues of the poor. They are in fact already providing aid to communities in need with funding from within the churches and from few international donors, even in areas where missionaries are outlawed. In order to

spread their services further, FBOs and other CBOs are in need of broader international support. The formation of an alliance now depends on the cooperation of the developed countries. Partnerships between the World Bank and the churches should be encouraged by the Western world, when beneficial, not because of its Christian roots, but because of the shared ideas of spreading democracy, aiding the poor and creating safer and more stable environments for the international community. All CBOs that address a specific area of development can work more efficiently through the establishment of network hubs through the churches or institutions with equally strong infrastructure and resources. As discussed in this dissertation, the lack of education and the poor state of many of the world's people affects the security and economic condition of the entire globalized community. Therefore, whether states have a realist or liberalist viewpoint, it is in their interest to promote any system in which the needs of the poorer communities are addressed. Only with an integrated movement of developed and developing countries in the provision of basic public goods to all people, can we move toward peace and equality where no longer is "every man [] enemy to every man" nor life "solitary, poor, nasty, brutish and short,"¹⁸⁷ putting an end to the struggle which began at the time of Creation.

¹⁸⁷ Hobbes, Thomas. *The Leviathan* as printed in Kauppi, Mark and Viotti, Paul. *International Relations Theory: Realism, Pluralism, Globalism, and Beyond*, 3rd edition. (Maryland: Allyn & Bacon, 1999), 109.

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