1 INTRODUCTION


3 As I will discuss in Chapter 3, structural adjustment lending provided financial support to governments on the condition that they instituted significant reforms such as eliminating price controls and subsidies, reducing tariffs and privatizing government enterprises.


16 I provide a fuller definition of the concept of inscription, which I am borrowing from Callon and Latour, below.


21 In March 2013, the Canadian conservative government announced plans to merge CIDA with the Foreign Affairs ministry. Since the Canadian policies discussed in this book were initiated while CIDA still existed, I will generally refer to it, rather than to the new Department for Foreign Affairs, International Trade and Development.

22 The IMF has been in the business of development since it began its long-term concessional lending in 1976, and even though its priorities are different, its overlap with the Bank has only grown in the intervening years. Many IMF staff are aware of this fact, particularly those working in the Africa Department. It is those working in the European Department, certain executive directors (particularly the US) and a few NGOs (who hope to get the IMF out of the business of lending to poor countries) who have continued to uphold the idea that the IMF should only engage in managing global finance, and not economic development (as if the two were separable, whether lending to Burkina Faso or Greece).


Walters. “Power of Inscription.” For a similar use of the idea of inscription, see also: Miller and Rose. “Governing Economic Life.”

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34 This is not always the case in some of the earlier writings of economic sociologies such as Callon and Latour, which do point to the limits of strategies of inscription, translation and mobilization. Yet Callon’s later work on the performativity of economics, as well as some of the advocates of ANT, have sometimes overstated the effectiveness of economic theory and technological practice. This also holds true for some of the governmentality and bureaucratic culture literatures, which focus primarily on the effectiveness of various techniques for governing at a distance, and pay less attention to the slippages, resistances and limits of such efforts. One exception to this trend within the IO literature is Broome and Seabrooke’s analysis of the ways in which organizations’ practices of standardized measurement can ignore more appropriate local forms of knowledge and thus produce policy failures: André Broome and Leonard Seabrooke. 2012. “Seeing like an International Organisation.” *New Political Economy* 17 (1): 1–16.


2 A MESO–LEVEL ANALYSIS


7 Ibid.: 274.

8 Ibid.: 270. As Pouliot himself admits (259), he differs here from Bourdieu in defining social practice in such as way as to exclude representational or discursive practices.


11 This problem of the multiplicity of social fields is akin to the problem of the multitude of contexts that J. G. A. Pocock has identified as a challenge for contextualist history. Both historical and sociological traditions draw on Wittgenstein’s concept of language games to help understand the meaning and significance of a practice or a historical text, suggesting that it has to be
interpreted with reference to the game being played. Yet if there are multiple games, fields and contexts, then this shift from the practice or text to the context or field does not necessarily solve the riddle. J. G. A. Pocock. 1971. “Languages and their Implications.” In Politics, Language and Time: Essays on Political Thought and History, New York: Atheneum, 3–41.

Although I have not therefore used the concept of field here, a looser conception of fields as discursively constituted, such as that used by Didier Bigo would still be consistent with a meso-level approach. Didier Bigo. 2005. “La mondialisation de l’in(sécurité).” Cultures et Conflits 58 (Été): 53–101.


13 There has been excellent work done on institutional stability by scholars of bureaucratic culture who have demonstrated just how little institutional actors sometimes change in spite of external pressures to do so. Catherine Weaver and Ralf J. Leiteritz. 2005. “Our Poverty Is a World Full of Dreams’: Reforming the World Bank”. Global Governance 11 (3): 369–88. Bourdieu’s concepts would make a useful contribution to such analyses, supplementing the current focus on norms with his more concrete emphasis on routines and habits.


20 This principle was first elaborated by Bruno Latour in Science in Action, in which he sought to follow scientists and laboratory technicians in their day-to-day activities in an effort to unravel the practices of science. Bruno Latour. 1987. Science in Action. Milton Keynes: Open University.


26 One aspect of STS and ANT theory that I am not adopting here is the idea of actants – or the possibility that non-humans (whether Latour’s famour door-closer, Callon’s scallops or Woolgar’s machines) can also be actors with significant effects on the social world. In the realm of global governance (at least at the level of bureaucratic institutions that I am studying here), the objects to which such forms of agency are delegated tend to be “softer” than door-closers, taking the form of paper or images on computer screens: tables, graphs, reports and other inscriptions. While there is another story to be told about the increasing delegation of agency to such “quasi-objects,” to use Latour’s term, I do not have the space to tell it here. For three classic STS discussions of non-human agency, see: Michel Callon. 1986. “Some Elements of a Sociology of Translation: Domestication of the Scallops and the Fishermen of St. Brieuc Bay.” In Power, Action, and Belief: A New Sociology of Knowledge?, edited by J. Law. London: Routledge and Kegan Paul, 196–233; Jim Johnson. 1988. “Mixing Humans and Non-Humans Together: The Sociology of a Door-Closer.” Social Problems 35 (3): 298–310; Steve Woolgar. 1991. “Configuring the User: The Case of Usability Trials.” In A Sociology of Monsters: Essays on Power, Technology and Domination, edited by J. Law. London: Routledge, 57–102.


While it takes many different forms, the concept of performativity comes originally from the pragmatic philosopher Austin, who defined certain kinds of speech act as performative, such as a priest’s declaration of marriage, since the enunciation does the very thing that it states. John L. Austin. 1962. *How to do Things with Words*. Cambridge, MA: Harvard University Press.


In fact, I would argue, it is impossible to separate out the two forms of knowledge: as William Connolly points out in his analysis of the political and philosophical implications of recent neuroscience, thinking, emotion, instinct and embodied habits are all interconnected, layered and interdependent. William Connolly. 2002. *Neuropolitics: Thinking, Culture, Speed*. Minneapolis: University of Minnesota Press, Ch. 3.


For another influential typology of forms of authority, see: Rodney Bruce Hall and Thomas J. Biersteker, eds. 2002. *The Emergence of Private Authority in Global Governance*. Cambridge University Press.


This indirect character of power is clearly related to the broader phenomenon of the diffusion of power, as discussed by Stefano Guzzini and Iver Neumann in: Guzzini and Neumann, eds. 2012. *The Diffusion of Power in Global Governance*. New York: Palgrave Macmillan.


A style often captures the affective dimension of governance: scratch beneath the technical surface of documents and communications from the structural adjustment or contemporary era and you find certain kinds of feelings circulating: confidence (even hubris) in the 1980s and 1990s, and a great measure of caution and uncertainty today. I do not have the time to explore the implications of this affective dimension in this book. For a very thoughtful analysis of affect in IR, see the work of Andrew Ross, including: Ross. 2010. “Why They Don’t Hate Us: Emotion, Agency and the Politics of Anti-Americanism.” *Millennium* 39 (1): 109–25; Ross. 2006. “Coming in from the Cold: Constructivism and Emotions.” *European Journal of International Relations* 12 (2): 197–222.


Jacqueline Best. 2012. “Ambiguity and Uncertainty in International Organizations: A History of Debating IMF Conditionality.” *International Studies Quarterly* 56 (4): 674–88. I also discuss similar concerns about the preference for (but limits of) quantitative metrics in my examination of vulnerability assessments (Chapter 7) and the recent return to results measurement (Chapter 8).


The answer to this conundrum is to recognize that there are several kinds of failure. As I will discuss in the Conclusion to this book, the role of failure in development governance is complex: some failures are far more damaging to governance practices than others.
3 WHAT CAME BEFORE

1 Transparency, for example, could be understood as a recent strategy for managing the problems of organizational communication and accountability, while decentralization could be seen as a particular way of conceptualizing the problems and possibilities of the spatial logic of policy implementation.


3 McNamara wrote a key memorandum outlining the basic elements of this new form of “lending for structural adjustment”: World Bank Archives. 1980. P7757. Memorandum to the Executive Directors: Lending for ‘Structural Adjustment,’ from the President, Robert McNamara. 5 February.

4 For a more detailed discussion of the Bank’s movement from project to program-based lending see: David Williams. 2008. The World Bank and Social Transformation in International Politics: Liberalism, Governance and Sovereignty. London: Routledge, Ch. 3.


6 Although more formal collaboration was resisted by both organizations and was always incomplete, this process of convergence was formalized in the IMF’s creation of the Structural Adjustment Fund (SAF) in 1986 and the Enhanced Structural Adjustment Fund (ESAF) in 1987, both of which required formal Bank–Fund collaboration through their agreement on the policy framework paper (PFP) that set out the basic objectives of the adjustment program.

7 So, for example, even as the Canadian government has begun to link its aid more directly to national political objectives, it continues to represent its actions as based on universal principles of results-orientation, transparency and accountability. CIDA. 2010. “Development for Results 2010–2011: At the Heart of Canada’s Efforts for a Better World.” Gatineau: Canadian International Development Agency. On the growing politicization of Canadian development assistance, see: Stephen Brown, ed. 2012. Struggling for Effectiveness: CIDA and Canadian Foreign Aid. Montreal: McGill-Queen’s University Press.


15 Ibid., Ch. 4; Kapur et al. World Bank, 514.


18 A country’s balance of payments is the difference between its economic outflows and inflows. The IMF generally intervenes to help fund countries’ balance-of-payments deficits and imposes conditions to move them into a more balanced position.

19 Like the World Bank, the IMF was initially created to address the financial and development needs of the world in the aftermath of the Second World War. In the IMF’s case, over half of its lending went to developed countries in the first two decades of its existence. It was really only towards the end of the 1970s that the Fund began to lend most of its resources to low-income countries. Richard Peet. 2005. Unholy Trinity: The IMF, World Bank, and the World Trade Organization. London: Zed Books; James M. Boughton. 2001. Silent Revolution. The International Monetary Fund 1979–1989.


24 The day-to-day activities of the IMF and the World Bank are managed by their respective Executive Boards, which are made up of Executive Directors representing one or more member countries. The members with the largest quotas (e.g. the United States, the United Kingdom and several others) each have their own Executive Director, whereas many states with smaller quotas are grouped together.

25 Best. “Ambiguity and Uncertainty.”


27 I am not of course suggesting that the organizations succeeded in separating the two, given that the very attempt to distinguish the political from the economic is itself a political act.

28 As an example of McNamara’s efforts to remain apolitical, Kapur *et al.* note that the Bank staff and leadership never commented, in either internal or external documents, on Indira Ghandi’s declaration of a state of emergency in India in 1975. Kapur *et al.* *World Bank*, 477.

29 Although in addition to their Executive Boards both the IMF and World Bank have a Board of Governors made up of representatives (usually finance ministers) from all of the member countries, the Board only meets twice a year. For simplicity’s sake, I will therefore refer to each institution’s Executive Board as “the Board” and the Executive Directors as either “EDs” or “directors.”

This question of whether fiscal policy conditions were in fact too political became the subject of considerable debate on the Board: IMF Archives. 1968. EBM/68/122. Minutes of Executive Board Meeting. 14 August: 20, 27; IMF Archives. 1968. EBM/68/123. Minutes of Executive Board Meeting. 14 August: 7, 10–14; IMF Archives. 1968. EBM/68/127. Minutes of Executive Board Meeting. 6 September: 11, 13, 15–16. I provide an analysis of these debates and the broader shifts in conditionality policy at this time in: Best. “Ambiguity and Uncertainty.”

Kapur et al. World Bank, 522.

McNamara outlines some of the potential reforms to be included in the earliest structural adjustment programs in his 1980 memo on the subject: they include budgetary cutbacks and trade reforms. World Bank Archives. P7757: Memorandum to the Executive Directors. February 5: 3.

For a more detailed discussion of structural adjustment economics and policies, see: Ferreira and Keely. “World Bank and Structural Adjustment.”


Boughton. Silent Revolution, 608.


De Vries. International Monetary Fund, 481.

Ibid., Chs 17 and 18.


Kapur et al. World Bank, 525.
50 Ibid., 516. By the 1990s, this idea of the necessity of second-generation reforms had been widely accepted, with the IMF holding a conference on the subject in 1999.


55 Ibid., 220.


60 OED. “Eighth Annual Review.”

61 These reports looked back on previous years’ programs. Given the extended time required for many of these projects to reach completion, most of the projects evaluated in the 1980s had been initiated in the 1970s.

62 OED. “Sustainability.”


65 OED. “Evaluation Results,” 2.


69 In 1984, for example, they undertook a longer-term analysis, allowing for a “more intensive analysis of developments and policies” in a select group of heavy borrowers, a practice that they combined with the broader, shorter-term review in 1985. IMF Archives. 1984. EBS/84/228. Experience with Adjustment Policies. 13 November: 1; IMF Archives. 1985. EBS/85/277. Aspects of Program Design. 17 December.

70 IMF Archives. EBS/79/635: 9; EBS/81/152: 11; EBS/82/97: 36.

71 Boughton. Silent Revolution, 617.

72 Ibid., 570–1.

73 IMF Archives. EBS/79/635: 12.

74 IMF Archives. EBS/82/97: 33.

75 IMF Archives. EBS/81/152: 15; EBS/82/97: 25.

76 IMF Archives. EBS/79/635: 3, 28. This second problem, of attribution, is one that continues to bedevil the IFIs and donors, in spite of their claims of their ability to demonstrate results. Interestingly, as I discuss in Chapter 8 and the Conclusion, the IMF is one of the few organizations whose staff are willing to point to these methodological problems today.

77 Ibid.; EBS/81/152: 11.

78 It is worth noting that not all of these earlier governance practices were fully formed strategies like the ones that emerged later. The practices of separating politics from economics and of viewing the world through certain universal economic principles were both coherent enough, reflexive enough about the problems being addressed, and well-enough institutionalized to be understood as governance strategies. On the other hand, various practices involved in IMF and World Bank efforts to conceptualize policy time and contingency and to measure policy effectiveness were looser and less coherent. It was only later in the 1990s that more coherent governance strategies began to be developed in these two domains of practice.


80 The G-24, for example, mounted some vociferous critiques of IMF conditionality in the late 1970s: IMF Archives. 1978. Communiqué of the Intergovernmental Group of Twenty-Four on International Monetary Affairs. 22 September.


83 I am not of course suggesting that small “i” ideas like public-choice theory were not influential during this era, but that they functioned as part of a much bigger and more explicitly ideological set of large “I” ideas at that time.
84 Kapur et al. World Bank, 271–2; McNamara. “Board of Governors,” 653.
86 As the IFIs moved ever deeper into borrower politics, redrawning the boundaries between the domestic and the international, this narrowly expert form of authority would also prove to be a significant weakness, as I will discuss in the next chapter.
87 Kapur et al. World Bank, 316.
89 These failures are described variously as failures of incentives, of capacity, and of the effective use of resources, all of which lead to a prescription of “reducing the widespread administrative overcommitment of the public sector and ... developing and relying more on the managerial capacities of private individuals and firms.” World Bank. Accelerated Development, v.
90 It is important to note that while this set of assumptions was dominant among staff at the Bank and Fund, it was not shared by all. For an account of the silent minority of more socially aware staff at the World Bank during this period, see: Antje Vetterlein. 2007. “Economic Growth, Poverty Reduction, and the Role of Social Policies: The Evolution of the World Bank’s Social Development Approach.” Global Governance 13 (4): 513–33; Catherine Weaver. 2008. Hypocrisy Trap: The World Bank and the Poverty of Reform. Princeton University Press.
91 As Jack Boorman, former Director of the Policy Review and Development Department at the IMF, noted, in economics departments, “the historians and the institutionalists were more or less relegated to the small of fi...es.” Interview, Washington, DC, 31 August 2005.
92 Ayers. Banking on the Poor.
94 Boughton. Silent Revolution, 689–90.

4 TRANSFORMATIONS
4 As in the previous chapter, I will be focusing here primarily on the IMF and World Bank, rather than attempting to provide a comprehensive history of the evolution of governance strategies among key donors as well – a task that would exceed the scope of this volume.


7 The US, for example, as I will discuss in Chapter 5, actively and unsuccessfully opposed some of the changes involved in streamlining conditionality.

8 A moment that, as I will suggest in the Conclusion to this book, may be in the process of passing, as a growing number of conservative governments are beginning to exercise a more instrumental kind of power over aid financing in recent years.


15 Ibid.: 414.
19 Ibid.: 419.
24 While some of these debates were certainly “hot,” others are better characterized as “warm”: defined neither by a general agreement on metrics nor an outright debate on what counts as success and failure, but rather by a pervasive sense of unease and ambivalence about the adequacy of existing forms of measurement. In fact, this kind of ambivalence is a central characteristic of provisional forms of governance.


38 Interview with senior World Bank staff member, 11 May 2007.


40 Key British ministers, such as Clare Short and Tony Benn, as well as the then Chancellor of the Exchequer, Gordon Brown, also became personally implicated in moving these agendas forward – both through pressure on the IFIs
and by enacting their own reforms to aid policy at home. Interviews with Ruth Driscoll, Overseas Development Institute and Jeff Powell, Bretton Woods Project, September 2006.

41 Dollar and Svensson. “What Explains Success.”


45 Interview with senior IMF staff member, August 2005.


49 Although Fund staff did not use the term much until 1997, they had raised concerns about the importance of domestic “political commitment” as early as 1979. IMF Archives. 1979. EBS/79/635. Adjustment Programs Supported by Upper Credit Tranche Stand-by Assignments. 26 December.

50 Kapur et al. World Bank. 269, 310, 312.


52 Ibid.


58 Tony Killick’s work (which also applied a public-choice framework, focusing on principal-agent dynamics) was particularly damning in this respect. Killick. “Principals, Agents”; Killick et al. Aid.


60 Although the emphasis on volume of lending has remained a very significant motivator. Interview with Bruce Rich, Environmental Defense, 8 May 2007.
As Kapur et al. note, it is very difficult to judge the extent to which the quality of Bank projects did in fact decline over this period: “Even trends are difficult to interpret: was it due to poor inputs, the Bank’s venturing into more risky terrain (whether by country or sector), changed value judgments or a more volatile global environment?” Kapur et al. World Bank, 45.

Ibid.

IMF Archives. EBS/97/112.

IMF. “External Evaluation.”


5 FOSTERING OWNERSHIP


3 Over time, NGOs have developed a rather mixed assessment of country ownership, challenging IFIs and donors to foster meaningful ownership while also raising questions about what the term really means – and suggesting that it often boils down to asking developing country governments to “own” traditional IFI and donor policies, rather than generating their own solutions.


8 Because IMF resources are based on the contributions, or shares, of member states, they are referred to as “shareholders.” A member’s voting power also depends on the size of their quota, or share. Hence industrialized countries have the vast majority of the voting share, while the US, with 17 per cent, has an effective veto on fundamental changes requiring 85 per cent agreement.
9 IMF Archives. 1995. EBM/95/107. Minutes of Executive Board Meeting. November 13: 26–7, 41–2, 48. Support for more “ownership” came from US, UK and Canadian directors, among others, who suggested that more selectivity in lending might foster more ownership. Other directors, particularly those representing developing countries, disagreed with this approach to country ownership.
10 The ESAF was the facility through which the IMF made concessional lending to poor countries. It has since been replaced by the poverty reduction and growth fund (PRGF).
13 Interview with senior IMF staff member, Washington, DC, 14 June 2010.
16 When IFIs and donors provide funds through general budget support (GBS), they do not funnel them to individual projects or through ring-fenced units within the borrowing government, but rather provide the funds to the finance ministry directly, allowing the government to use its own internal mechanisms to allocate them. GBS became an increasingly popular form of aid delivery in the early 2000s, as part of the broader emphasis on country ownership and the move to work within domestic government systems. It has since lost some of its popularity and is the subject of considerable debate among donors. For some interesting assessments of GBS, see: Debbie Warrener. 2004. “Current Thinking in the UK on General Budget Support.” London: Overseas


Interview with former Executive Board member, IMF, Washington, DC, 29 August 2005.


Interview with senior staff member, IMF, Washington, DC, August 2005.


Telephone interview with Edwin M. Truman, former Treasury Assistant Secretary, International Affairs, US Government, 31 October 2006. See also:

In interviews, both senior IMF and British officials noted, without attribution, that the US resisted major reforms to conditionality, a claim that is also reflected in the IMF minutes from the Board meetings. EBM/01/23; EBM/02/9. I have provided a detailed analysis of these Board debates in: Jacqueline Best. “Ambiguity and Uncertainty.” Interviews with former IMF Executive Directors, September 2006 and May 2007.


Ibid., ix, xv, xvii.


Some of the same broad goals of privatization remain, however, reframed in the language of the creation of a good business climate.


Interview with Ruth Driscoll, Research Fellow, Overseas Development Institute (ODI) and former aide to Clare Short, London, 11 September 2006.


Interview with Ruth Driscoll, ODI.

Interview with Jeff Powell, Bretton Woods Update and with another NGO staff member, London, September 2006.

Interview with Ruth Driscoll, ODI.

DFID. Eliminating World Poverty, 8.

Ibid., 12. This framing of the problems of development is very similar to that found in speeches by Bank Chief Economist Joseph Stiglitz, and in the 1997


52 Interview with Senior Staff Member, HM Treasury, British Government, London, 6 September 2006.


59 Ibid., 3–5.

60 Ibid., 2. This point is also made by: Collier. “Failure of Conditionality.”


63 Of course this begs the question of how one determines “genuine” reformers.

64 Interview with former senior World Bank staff member, Washington, DC, 9 May 2007.

65 IMF. 2011. “The Policy Support Instrument: Factsheet.” Washington, DC: International Monetary Fund. Of course, as I will discuss below, the fact that conditions are increasingly symbolic does not mean that they do not have very real effects.


67 Ibid., 4.

68 World Bank, “Adjustment Lending Retrospective,” 9–10. As the 2006 World Bank review notes, there has since been a slight decrease in the average number of benchmarks in IDA-only countries to twenty-seven, although the number remains well above the average for the 1990s. World Bank.
70 Interviews with UK official and with NGO staff member, London, September 2006.
71 Interview with Ruth Driscoll, ODI.
73 Harrison. “Post-Conditionality”: 660.
74 Interview with former senior staff member, World Bank, Washington, DC, 9 May 2007.
76 Danilovich. “Remarks by MCC CEO.”
78 Interview with former senior World Bank staff member, 11 June 2010.
80 PFPs outlined a basic economic development plan that both institutions could support. Such a plan became necessary as IMF and Bank programs began to converge, as the World Bank placed more emphasis on adjustment lending and the IMF created facilities for medium-term concessional lending (the SAF and ESAF). Paul Mosely, Jane Harrigan and John Toye. 1991. *Aid and Power: The World Bank and Policy-Based Lending*. London: Routledge, 53.
81 Interview with former senior staff member of the World Bank, 9 May 2007.
83 DFID. *Eliminating World Poverty*.


89 The predominant account of the PRSP (including that provided by Wolfensohn in his official accounts of the events) is that it was a way of operationalizing the CDF. My alternate account has been confirmed independently by two different sources familiar with the internal politics around the PRSPs’ development.


91 Interviews with senior IMF and World Bank staff, Washington, DC, June 2010.

92 Interview with Camdessus.

93 Interview with senior IMF staff member, Washington, DC, 14 June 2010. It is worth noting that different interviewees provided somewhat different interpretations of the relative influence of IMF and World Bank staff members in the creation of the PRSP.

94 Interview with Jack Boorman, Consultant, Office of the Managing Director and Former Director of Policy Development and Review Department, IMF, Washington, DC, 31 August 2005.

95 Interview with Camdessus.

96 Interview with senior IMF official, 29 August 2005.


103 A detailed overview of staff techniques is provided in Chapter 7 of the PRSP Sourcebook: World Bank. 2001. A Sourcebook for Poverty Reduction Strategies. Washington, DC.


105 Interview with Ruth Driscoll, ODI.


108 Piron and Norton. “Politics and PRSP Approach.”


111 I will discuss this example of what I am calling a “benign failure” in more detail in the Conclusion to this volume.

6 Developing Global Standards

This last example of maternal health is one of the many new global norms included in the millennium development goals, which provide another example of a policy that relies on the standardizing strategies discussed in this chapter.


There is a significant literature on the concept of “new” or “post-conditionality,” which sees recent initiatives such as the good governance agenda and Poverty Reduction Strategies as another, more extensive but less obvious, form of conditionality. My research confirms many of these claims, but because of my focus on how governance is performed rather than simply on the interests or outcomes at stake, this book points to broader and more profound changes in the logic of global development governance than those advanced in this literature. Jeremy Gould, ed. 2005. *The New Conditionality: The Politics of Poverty Reduction Strategies*. London: Zed Books; John Pender. 2001. “From ‘Structural Adjustment’ to ‘Comprehensive Development Framework’: Conditionality Transformed?” *Third World Quarterly* 22 (3): 397–411.


For example, in the field of development studies, Mark Duffield’s otherwise excellent work does tend to suffer from such tendencies: Duffield. 2001. “Governing the Borderlands: Decoding the Power of Aid.” *Disasters* 25 (4): 308–20.


15 In some ways, nothing has changed since then: the pursuit of good governance remains a political project, and continues to encounter opposition, as I will discuss in the Conclusion.


17 World Bank. Sub-Saharan Africa, 60.


19 The study was referenced explicitly in the legal opinion on the Bank’s mandate as well as in Board discussions of the document, although Shihata was careful to note in those discussions that some issues addressed by the Long-Term Perspective Study did go beyond what he identified as acceptable governance policies for the Bank to undertake. World Bank Archives. 1991. Doc. 64896. Proceedings of a Seminar of Executive Directors to Discuss Issues of “Governance” in Borrowing Members: The Extent of Their Relevance Under the Bank’s Articles of Agreement. 11 April: 15, 17, 52–3.


31 Some of the more enthusiastic EDs included those from Costa Rica, Iceland and the Netherlands. The ED from Gambia also noted his support for


33 Interview with senior World Bank staff member, 10 May 2011.


36 IMF Archives. 1996. EBS/96/197. The Role of the Fund in Governance Issues. 20 December.


39 The two main policies through which the IMF engages with its members are its Article IV consultations and lending programs. Under Article IV of its Articles of Agreement, the IMF conducts annual consultations with all member states (not just those using its resources) as a part of its ongoing surveillance of the international financial system. These consultations take the form of an assessment of the strengths and weaknesses of the country as well as non-binding recommendations for reform. The Fund also has a number of different facilities through which it lends resources to states in need; these funds come with conditions (discussed in Chapter 5), which are binding on states that wish to receive the funds.


42 Interview with Jack Boorman, former Director of Policy Development and Review Department, IMF, Washington, DC, 31 August 2005.

43 Camdessus. “IMF and Good Governance.”


45 World Bank. WDR: Building Institutions, 3.

46 Of course, the “sound economics” that formed the basis of the economic universals of the structural adjustment era were also profoundly political – but they did not represent themselves as such.


49 IMF Archives. 1996. EBS/96/197: 7. In fact, as one senior staff member explained, there was a major debate within the institution about whether the Fund should describe its role as being related to economic governance or just governance. In the end, the PDR Department sent around a memo telling staff not to use the term “economic governance,” since the broader forms of governance had significant implications for macroeconomic stability and growth. Interview with Former IMF Executive Board Member, 29 August 2005, Washington, DC. Catherine Weaver has discussed a similar push by internal forces at the World Bank to make governance an acceptable part of the institution’s normal mandate. Weaver. *Hypocrisy Trap*. This claim was confirmed in one of my interviews with a senior former World Bank staff member, Washington, DC, 7 October 2008.


52 Timmermans and Berg. “Standardization in Action”: 275.

53 I elaborate on the way in which the new appeal to moral universals works to depoliticize IFI policies in: Best. “Moralizing Finance”; Best. “Moral Politics.”

54 This quote is from a memo from Bank President Barber Conable to Executive Board members. Conable, “Memorandum.”


56 Timmermans and Berg. “Standardization in Action”: 292.


61 Lampland and Star, eds. Standards and their Stories, 9.
69 Foucault’s thoughts on power are distributed among many of his writings. For a particularly thoughtful discussion of the differences among sovereign/juridical, disciplinary and governmental/security forms of power, see the 11 January lecture in: Michel Foucault. 2004. Sécurité, territoire, population: Cours au Collège de France, 1977–78. Paris: Gallimard.
72 Although it was to be just one of three major initiatives to prevent and respond to financial crises, the other two – the Contingent Credit Lines for states who could prequalify for assistance, and the sovereign debt restructuring mechanism (SDRM), which was to act as a kind of international bankruptcy mechanism, both ultimately failed to obtain global support.


The full list is: “accounting; auditing; anti-money laundering and countering the financing of terrorism (AML/CFT); banking supervision; corporate governance; data dissemination; fiscal transparency; insolvency and creditor rights; insurance supervision; monetary and financial policy transparency; payments systems; and securities regulation.” IMF. 2004. Reports on the Observance of Standards and Codes (ROSCs). International Monetary Fund. Available from www.imf.org/external/np/rosc/rosc.asp.


IMF Archives. SM/97/175.

IMF Archives. SM/98/66; IMF. “Experimental IMF Reports.”


Camdessus. “From the Crises.” Emphasis in original.

IMF. “Summing Up.”

IMF. “Experimental IMF Reports.”


In the case of the GDDS they seek to provide a capacity to measure not only economic factors but also socio-demographic data such as population and public health, enabling, in Foucauldian biopolitical terms, the measurement, constitution and governance of the population.


95 Interview with Jack Boorman, Washington, DC, 31 August 2005.
96 Köhler. “Standards and Codes.”
97 Callon. “Introduction.”
99 Grabel. “Political Economy.”

Moreover, as I will discuss in the Conclusion to this volume, these standards have been contested both within and outside the IFIs, while the techniques used have often failed to achieve their intended effects.

7 MANAGING RISK AND VULNERABILITY

1 I have discussed the history of the IMF’s conceptualization and management of the unknown in my first book, on the role of ambiguity in international finance. I will not take up these same ideas here, but will focus instead on efforts to manage time and the unknown through particular conceptions of vulnerability and risk. Jacqueline Best. 2005. The Limits of Transparency: Ambiguity and the History of International Finance. Ithaca: Cornell University Press.
2 This policy is discussed briefly in Chapter 6.
These kinds of risk are generally known as "operational" or "institutional" risks, since they are risks to the smooth operation of an institution. Henry Rothstein, Michael Huber and George Gaskell. 2006. “A Theory of Risk Colonization: The Spiraling Regulatory Logics of Societal and Institutional Risk.” *Economy and Society* 35 (1): 91–112.


The institution formally adopted this role in 1978 with the Second Amendment to its Articles of Agreement, which, under Article IV, defined surveillance relatively narrowly in relation to member countries’ exchange rates. Over time, the scope of Fund surveillance activities expanded considerably to consider first the underlying macroeconomic conditions and then the structural policies that affected countries’ balance of payments. James M. Boughton. 2001. *Silent Revolution. The International Monetary Fund 1979–1989.* Washington, DC: International Monetary Fund, Ch. 2 and Appendix.

The economists discussed here, like those discussed throughout the book, often have close links with the IFIs and donors, particularly the World Bank. Some have worked at one or other of the IFIs at some point, and all have been cited in the key Bank and IMF documents on debt vulnerability and vulnerability assessments as justification for these new policies.


IMF. “Managing Volatility,” 29.


Most LICs rely almost entirely on concessional borrowing, which is provided at extremely low interest rates, without any interest, or in the form of grants. Non-concessional borrowing, in contrast, is generally at market rates of interest.


\textsuperscript{18} Interview with senior IMF staff member, Washington, DC, 14 June 2010.


\textsuperscript{21} IMF. “Debt Sustainability.”


\textsuperscript{24} Low-income countries are eligible for concessional financing at the World Bank through the International Development Association (IDA). Ibid., 11.


\textsuperscript{26} IMF. 2009. “Staff Guidance Note on Debt Limits in Fund-supported Programs.” Washington, DC: International Monetary Fund, 5.


\textsuperscript{28} IMF. “Debt Limits,” 9, 24. The Sub-CPIA includes an assessment of fiscal and debt policy, the quality of budgetary and financial management, and the quality of public administration and transparency, accountability and corruption.

\textsuperscript{29} In this case staff chose to use the full CPIA, in part because of the strong correlation they found between social inclusion and equity and vulnerability to crisis: the “Managing Volatility” report includes a graph that demonstrates the correlation, with an R2 of .29. IMF. “Managing Volatility,” 13.

\textsuperscript{30} Ibid., 2, 5, 12.


\textsuperscript{32} I provide an overview of these two closely related “small i” ideas – public choice theory and new institutionalist economics – in Chapter 4.

\textsuperscript{33} Acemoglu \textit{et al.} “Institutional Causes.”

\textsuperscript{34} Collier \textit{et al.} “Shocks and Growth”; Rodrik. “External Shocks.” Collier’s conclusions are far more conservative and consistent with traditional neoliberal economics than Rodrik’s; nonetheless, they both rely on certain similar institutionalist ideas in their analyses.

\textsuperscript{35} IMF. “Managing Volatility,” 6.

\textsuperscript{36} IMF. “Changing Patterns,” 4.
38 IMF. “Managing Volatility,” 8.
41 IMF. “Debt Sustainability.”
42 IMF. “Changing Patterns,” Annex II.
43 Interview with senior IMF staff member, Washington, DC, 14 June 2010.
44 This is particularly noticeable in the vulnerability exercises, where much attention is placed on the need for an objective and methodologically rigorous evaluation process – in spite, as I will discuss further in the Conclusion, of the difficulties of such an undertaking.
46 IMF. “Changing Patterns,” 23.
47 Ibid.
48 Ibid.
50 I do not have the space to discuss the form that this social risk approach has taken in these other institutions, focusing instead on the World Bank, which was the pioneer in both thinking and policy in this area. For some examples of the influence of social risk policy at DFID and the OECD, see: DFID. 2004. “Pro-Poor Growth Briefing Note 2.” London: UK Department for International Development; OECD. 2006. “Promoting Pro-poor Growth: Policy Statement.” Paris: Organization for Economic Co-operation and Development; Rachel Sabates Wheeler and Lawrence Haddad. 2005. “Reconciling Different Concepts of Risk and Vulnerability: A Review of Donor Documents.” Sussex: Institute of Development Studies.


55 Given the enormous complexity of the World Bank as an organization, the tidy picture that the annual World Development Reports (WDR) present is more than a little misleading. Yet, these reports do serve a useful purpose in outlining major thinking at the Bank at a given moment – particularly the decade-defining reports, which are more central to the Bank’s self-definition. Phone interview with former senior World Bank staff member, February 2012.


57 Ibid., 103.

58 Ibid., 90, 100–1. For a discussion of the Bank’s safety-net approach to social protection see: Vetterlein. “Economic Growth.”


56 Bourguignon. “Growth Elasticity.” While Bourguignon was respected within the Bank before his term as head of the Research Department, his emphasis on equality only came to be widely accepted in the mid to late 2000s. Phone interview with former senior World Bank staff member, 29 February 2012.


69 Interviews with senior World Bank staff, June 2010 and May 2011.
71 Interviews with senior World Bank staff, June 2010, May 2011 and February 2012.
72 Phone interview with Robert Holzmann, former Director of Social Protection, 15 June 2010.
73 Phone interview with former senior World Bank staff member, February 2012.
74 Phone interview with Robert Holzmann, former Director of Social Protection, 15 June 2010.
75 The PREM and Research Departments tended to support one another in their scepticism about the social risk framework, in opposition to the Social Protection unit. Interviews with senior World Bank staff members, June 2010 and May 2011.
76 In fact, some of the most energetic contestation revolved around the 2000–1 WDR itself. I have discussed these debates and their connection to the social risk framework in: Best. “Redefining Poverty.” I do not have the space to repeat them in detail here.
77 World Bank. 2001. World Development Report 2000/01: Attacking Poverty. Washington, DC, Ch. 4. This section was moved to the beginning in later drafts of the report after pressure from conservative economists within the Bank as well as from the US Treasury. Wade. “Showdown.”
80 Ibid., 136–41.
85 Ibid., 46.
87 World Bank. WDR: Attacking Poverty, 139.

Holzmann *et al.* “Social Risk Management,” 4. In the increased focus on objectives, we can also see the intersection of risk analysis and results-based management, the governance strategy that I will be discussing in the next chapter.

World Bank. Social Protection and Labor, Ch. 2.


Together with Alexandra Gheciu, I have provided a more extensive discussion of this transformation of public and private through the logic of practice in: Best and Gheciu, eds. Forthcoming, 2014. *The Return of the Public in Global Governance*. Cambridge University Press.


On the “demand side” of good governance, see Chapter 6.

Dean. *Governmentality*.

Interviews with senior World Bank staff, 10 and 15 June 2010 and 17 May 2011.


Best. “Ambiguity, Uncertainty.”

This is of course a particular financial conception of risk and reward, in which greater risks can be accurately measured, priced and rewarded with greater returns. This kind of conception of risk was at the heart of the recent financial crisis. See also: Best. “Limits of Financial Risk Management.”

Shepherd. “General Review.”


109 The concept of *aporia* refers to a puzzle – often in the form of a moment in which a text or speech undermines itself.


8 MEASURING RESULTS

1 The notable exception is the IMF, where staff and management have so far largely resisted efforts to get them to adopt a more results-oriented approach, as I will discuss briefly at the end of this chapter and in more depth in the Conclusion to this volume.


5 It is worth noting that the firms that were being mimicked were not the more traditional bureaucratic companies of the pre- and post-war order. Instead, this conception of the firm was based on more recent business thinking coming out of newly developed MBAs and consultant firms (what Nigel Thrift has called the cultural circuit of capital) who argued for more flexible and performance-based company structures. See: Nigel Thrift. 1997. “The Rise of Soft Capitalism.” *Cultural Values* 1 (1): 29–57.
6 See Chapter 6 in particular for a more thorough discussion of public-choice theory.


10 Interestingly, Schick himself argued against the applicability of the New Zealand model to developing economies. Schick. “Most Developing Countries,” 124.


22 Ibid.: Table 2.

23 For an interesting perspective on these tensions, see: Radin. “Performance Measurement.”


Although “managing for results” is ostensibly only one of the five commitments made under the declaration (along with ownership, harmonization, alignment and mutual accountability), the definition, measurement and evaluation of program and country performance dominates the entire document’s discussion of the way forward.


Grasso. “History of Evaluation,” 11. I will discuss the push for “value for money” in the Conclusion to this book.

Interview with IMF Executive Board member, 16 June 2010. Interview with senior World Bank staff member, 15 June 2010.


The health sector has the longest history of results-based policy development, and tends to be the easiest to manage along these lines (although there is considerable evidence that certain kinds of results-orientation in the form of waitlist limits, for example, can have perverse effects). As Natsios notes, health has become the dominant sector for many bilateral donors, in part because its outcomes are most easily measured. Ibid., 9.

Interviews with senior World Bank staff members, 15 June 2010.

British National Archives. 2002. Web archives. Briefing note. UK Objectives at the Annual Meetings of the International Monetary Fund (IMF) and
41 Baré. “Of Loans and Results.” Interview with Ariel Fiszbein, advisor to the Bank’s Chief Economist and Senior Vice President for Development Economics, Washington, DC, 15 June 2010.
45 Interview with former World Bank staff member, May 2011.
47 Interview with Ruth Driscoll, Research Fellow, Overseas Development Institute and former aide to Development Minister, Clare Short, London, 11 September 2006.
50 I had informal conversations with members of CIDA staff who raised concerns about the direction of the current results-based management framework, but there is little evidence of any public debate on the issue.
51 Lavergne. “Results-Based Management,” 15.
52 Interview with UK official, London, 15 February 2010.
53 Interview with David Booth, Overseas Development Institute, London, 9 February 2010.
54 DFID. “Results Action Plan,” 1.
55 Interview with Booth.
57 See Chapter 5 for a more comprehensive discussion of the PRSP.


62 Ibid., 8, 11, 25.


65 Most of the other recent policies that I have discussed in this chapter from the World Bank’s RBCAS and P4R to the new results-oriented CIDA and DFID strategies involve some reference to a participatory process.

66 Interview with senior World Bank staff member, 15 June 2010.


68 For example, Mali’s base scenario for 2008–11 is $390 million, which drops to $237 million under a low scenario if it fails to meet CPIA targets. This kind of difference between low and base case scenarios also applies for countries receiving regular World Bank as well as concessional IDA loans – such as Ecuador’s country assistance strategy (CAS), in which the low scenario involves half the funding of the base scenario. World Bank. 2007. “Country Assistance Strategy for the Republic of Mali for the Period FY08-FY11.” Washington, DC, 12 December; World Bank. 2003. “25817 EC. Report and Recommendation of the President of the International Bank for Reconstruction and Development and the International Finance Corporation to the Executive Directors on a Country Assistance Strategy for Ecuador.” World Bank, 29 April.


70 I will discuss further the problems posed by this thin conception of accountability in the Conclusion.

71 Examples include past and present figures within the OECD, USAID, the World Bank and the IMF. Natsios. “Counter-Bureaucracy.” Interviews with senior World Bank, IMF and OECD staff members, June 2010 and May 2011.


### 9 The Politics of Failure and the Future of Provisional Governance

1. See Chapter 4 for a full elaboration of Wolin’s interpretation of the politics of Weber’s methodology.

2. In other words, a “hot negotiation” in Michel Callon’s terms.


5. Ibid., 4, 29.


12 Interviews with two senior IMF staff members, Washington, DC, August 2005.
16 Arguably the Bank already quantifies governance performance through its use of the CPIA, as discussed in Chapter 6.


The acronyms stand for: country policy and institutional assessment, public expenditure and financial accountability, debt sustainability analysis and risk and vulnerability assessment.

Interview with former senior World Bank staff member, February 2012.


Interviews with World Bank staff, June 2010 and May 2011.


Interview with senior IMF staff member, Washington, DC, 14 June 2010.

Interviews with senior IMF staff members, 11 and 14 June 2010.

Interview with senior IMF staff member, Washington, DC, 14 June 2010.


Phone interview with senior IMF staff member, 11 June 2010.


Interview with senior World Bank staff member, 17 June, 2010.

Interview with former World Bank staff member, May 2011.

Interviews with OECD staff members, May 2011.

Interviews with donor and World Bank staff members, Washington, DC, June 2010.

The term “appropriate” is a translation from the French, appropriation, which Bergamaschi uses to describe the various strategies through which borrowing governments adapt donor and IFI policies to their own needs.


49 For an excellent overview of such criticisms, see: Bergamaschi. *Consensus post-Washington*.


51 Weaver, *Hypocrisy Trap*.


53 A number of readers of earlier versions of this manuscript helped me to recognize this open-ended dimension of provisional governance and its implications for how we conceptualize expertise. These helpful readers include Michael Orsini, Paul Langley and Tony Porter.


55 This spirit of experimentation is particularly evident in the discussion of the Cambodian DFGG project, which has since been modified based on lessons learned about which “components” worked best: World Bank. 2007. “The Cambodian Demand for Good Governance (DFGG) Project – An Updated


57 These “Fail Faires” were first introduced by an NGO, Mobile Active, and have been expanded to include a wider network of organizations working in information and communications technology and international development. Several Fail Faires have been hosted by the World Bank since 2011. Fail Faire DC. 2012. “Fail Faire: Where It’s OK to Talk about Failure.” Available from http://failfairedc.com/about; Sarika Bansal. 2012. “The Power of Failure,” The New York Times, 28 November. Available at: http://opinionator.blogs.nytimes.com/2012/11/28/the-power-of-failure-2.


62 Interview with OECD-DAC staff member, Paris, 4 May 2011.


64 As I discuss further in Chapter 6, this approach to accountability appears in many Bank documents and emerged in several of my interviews. The clearest articulation of this market-based conception of accountability (and the one often cited in other documents) can be found in: World Bank. 2004. World Development Report 2004: Making Services Work for Poor People. Washington, DC.


Interviews with two OECD-DAC staff members, Paris, 4 May 2012.