Nilima Gulrajani
The art of fine balances: the challenge of institutionalizing the Comprehensive Development Framework inside the World Bank
Book section

Original citation:

© 2006 The author; published by Routledge

This version available at: http://eprints.lse.ac.uk/8723/

Available in LSE Research Online: December 2010

LSE has developed LSE Research Online so that users may access research output of the School. Copyright © and Moral Rights for the papers on this site are retained by the individual authors and/or other copyright owners. Users may download and/or print one copy of any article(s) in LSE Research Online to facilitate their private study or for non-commercial research. You may not engage in further distribution of the material or use it for any profit-making activities or any commercial gain. You may freely distribute the URL (http://eprints.lse.ac.uk) of the LSE Research Online website.

This document is the author’s submitted version of the book section. There may be differences between this version and the published version. You are advised to consult the publisher’s version if you wish to cite from it.
The Art of Fine Balances: The Challenge of Institutionalizing the Comprehensive Development Framework Inside the World Bank

By
Nilima Gulrajani

FULL CITATION

Introduction

Christmas 1998. Jackson Hole, Wyoming. A multi-millionaire ex-investment banker sits by the fireplace in his ranch, tucked away from the hustle of Washington, D.C. and the misery of the developing world’s poor. He writes on yellow legal pad in an indecipherable longhand about the need for a radical re-thinking about the processes and contents of international development assistance. Drafted as a memo to the Board of Governors of the World Bank and its management and staff in January 1999, the Comprehensive Development Framework (CDF) became an ambitious and elaborate endeavor by World Bank President James D. Wolfensohn to “change the way the Bank works”. It had important repercussions for the wider development field.

Despite the significance of the CDF, studies of its process and outcomes remain limited to a Bank sponsored evaluation (Operations Evaluation Department 2003) or a discussion in an unofficial biography of Wolfensohn (Mallaby 2005). With Wolfensohn’s departure, an assessment of the legacy of his CDF by scholars of the World Bank is surely merited. This paper takes a step in this direction, from the perspective of sociological institutionalism, by engaging in an analysis of the CDF initiative within two World Bank country offices. It explores the ways the CDF heightened institutional tensions and seeks to understand its consequences for the employee experience of dislocation, for organizational politics and power, for the trajectory of the CDF itself and finally, for future prospects of organizational reform under Wolfensohn’s successor, Paul Wolfowitz.

In order to do this, the paper is divided into four sections. Section one presents the theoretical framework adopted and methods used in order to engage in a study of dynamics within the Bank. This proceeds into a discussion of the institutional logics of development and a review of the CDF. Section three then investigates the implications of the CDF experiment for intra-organizational politics and external power relations by examining the employee experience of institutional tension. The concluding discussion suggests that this examination of the trajectories taken by the CDF can shed light on the sources of leverage and limitation in future reforms of the World Bank.

1. Theoretical framework and methods

In order to engage in a finely grained and methodologically robust analysis of dynamics inside the Bank, the theoretical perspective of organizational sociology frames this study. Sociological institutional theory directs attention to organizational responses to social norms or institutions governing society (DiMaggio and Powell 1983; Meyer and Rowan 1977; Scott 1987). Institutions exercise normative, coercive and mimetic pressures such that conformity to them endows organizations with legitimacy that increases survival prospects, power and resource flows. Once institutional conformity is achieved through processes of institutionalization, the result is enhanced social stability for organizations.
In recent years, institutional theory’s focus on the legitimacy and stability acquired through institutional adaptation has been criticized for downplaying the tensions and contradictions characteristic of pluralistic societies (Clemens and Cook 1999; Friedland and Alford 1991; Seo and Creed 2002; Whittington 1992). These theorists point to the multiplicity and conflicting institutional logics that defy assimilation and conformance to a singular, homogeneous institution. Institutional logics are defined as the symbolic systems and organizing principles that furnish guidelines for actor behaviors and meanings, supplying sense of self and vocabularies of motive (Friedland and Alford 1991: 248). Logic plurality provides a basis for institutional contradiction, conflicts and uneven adaptive trajectories (Sewell 1992: 16-19). Political action in these overlapping and fragmented institutional contexts is expected to be oblique and subtle, possibly cloaked within acceptable models or deploying familiar models of organization in unfamiliar ways (Clemens and Cook 1999: 459).

Two stages characterized the analysis adopted to investigate the institutional logics and trace institutionalization processes within the World Bank. In the first stage, awareness of contradictory institutional logics embedded in the CDF emerged inductively after 30 exploratory interviews with World Bank bureaucrats in Washington, D.C in November 2002. A literature review of critical development theory further supported the results of this inductive analysis. In the second stage, the CDF process was traced in a comparative post-hoc analysis of the experience in the Bank’s Bolivia and Vietnam country offices. Narrative process analysis is the basis for exploring perceptions and consequences of the CDF within the World Bank (Langley 1999; Pentland 1998). Overall, the goal was to become “intimately familiar with each case as a stand-alone entity” so as to write a narrative that employees themselves could recognize in focus group discussions after completing fieldwork in each office and which could then be iteratively compared against one another (Eisenhardt 1989: 540). The analysis centered on identifying institutional tensions deriving from the CDF experience, as identified by country-office Bank employees. Through a comparative processual narrative analysis, the direction of the institutional tension experienced through the CDF is assessed, as well as the consequences for organizational power and politics and future possibilities of reform.

In total, 29 interviews (13 in Bolivia, 16 in Vietnam) lasting between 45 minutes to 1½ hours were conducted, taped and transcribed. Interviews were semi-structured and sought to treat three main themes but otherwise ceded control of the interview to the interviewee: (1) perceptions of the new “poverty” paradigm in the wider development field; (2) the process and consequences of the CDF in the country office; (3) and the personal lived experience of the employee within the CDF. Analysis proceeded by thematically coding narrative interview data according to major events or consequences of the CDF process using qualitative data software package Atlas.ti. Each coded text segment was reviewed in an iterative manner and instances of “lived institutional tension” within these identified. These instances of “institutional tension” were further reviewed and the generic category refined into two observed trends, a
tendency to *downplay*, excuse or reconcile a self-described tension deriving from the clash between institutional logics, or a *problematic* institutional tension that generated anger, resentment, or questioning by informants. The extracts that capture these two tendencies are italicized in the citations included in section four. Other codes included “power,” and “political” consequences, and these were repeatedly examined to narrow them into sub-classifications, identify trends and draft analytical chronologies of the CDF process.

Access was negotiated through the CDF Secretariat in Washington, D.C., with country offices in Bolivia and Vietnam inviting the researcher for a visit lasting approximately three weeks in each case. Organizational embeddedness allowed for ethnographic observations that complemented the formal interview process. The public identification of country offices as “Bolivia” and “Vietnam” was accepted in the request for research access that was made. Interviews with employees were tape-recorded with their agreement that they might be quoted in any published results, albeit anonymously. Preliminary interpretations and impressions were presented in focus groups to employees at the end of in-country visits and provided an early form of validating findings. For further validation, a draft copy of this paper was circulated to World Bank staff who granted permission for this project.

2. Technocratic and socio-political logics in development: the case of the CDF

In his book *The Anti-Politics Machine*, James Ferguson classifies literature on the development industry into two streams (1994: p.9-11). In the first, the focus is on managing development to make it more effective. This school is essentially a branch of policy science that sees the development apparatus as a tool at the disposal of the planner. Development is a neutral ‘technical’ instrument that can generate desired poverty outcomes if the right combination of goals, processes and conditions are selected. In the second strand of essentially postmodern research, development is a political project of subjugation and domination of the Third World. These two academic approaches to the study of development are identified as contradictory and irreconcilable. This dichotomy is a useful characterization not only of the development literature, but also broadly of the institutional logics that govern the practice of development. On the one hand, technocratic logics in the interactive realm privilege professional expertise and management, economic science and stability and hierarchical bureaucracies that produce measurable results quickly and efficiently. On the other hand, socio-political logics champion social and economic justice for the poor, welcome evolutionary locally embedded participative change and shun externally imposed, top-down bureaucratic interventions. While these logics are antithetical, they are also both interdependent and integral to all development engagement.

If legitimacy in the development field currently derives from conforming to both technocratic and socio-political logics as the history of development, in fact, points to (Amrith 2004; Pieterse 2001; Rist 2002) the contradictions and conflicts that can result should become immediately apparent. To remain open to
plurality and accept competing values and evolutionary concepts of change is difficult when planning decisions and priorities must be made, often based on scanty and incomplete knowledge. Although technical logics value single-mindedness and rapid, global progress, socio-political logics champion debate and slow, embedded change. While technical logics typically exist as resources of the powerful, socio-political ones challenge their rights to this authority. While technocratic approaches favor economic modernization and industrialization, socio-political logics espouse the broader cause of social and democratic justice. Thus, the challenge for development organizations is how to maintain their accountabilities and legitimacy in an institutional context where such a duality of social beliefs pervades. This challenge can extend to the individual bureaucrat in the World Bank who is obliged to operate across the competing norms and identities of an intellectual-activist and specialized professional expert (Ascher 1983).

The recent emphasis in the development field on poverty alleviation achieved through partnership and participation (Craig and Porter 2003; Maxwell 2003; Stubbs 2003) provides an opportune moment for studying these contradictory, if fundamental, institutional logics in the development sector. This new development paradigm appears to be internally torn between technocratic and socio-political logics in three overlapping ways:

1. uncertainty over the balance between the values and methods of science and the social world;
2. tensions between professional norms and the desire for empowerment and justice;
3. conflicts over the balance between complex hierarchical managerial systems and local definitions of progress.

In the first dimension, there is concern that the poverty alleviation agenda has adopted a naively ‘scientific’ and ‘economistic’ approach in analyzing and acting upon local political realities in the developing world. Buzzwords like poverty, participation and ownership are acutely political concepts that are de-politicized of their structural political-economy contexts to the detriment of local autonomy and democracy but the advantage of state and/or local elite power (Chhotray 2004; Crawford 2003; de Herdt and Bastiaensen 2004; Ferguson 1994).

In the second dimension, the new agenda’s emphasis on empowerment and social justice challenges professional values that privilege specialized expertise and quick results. There is a widespread belief that professional pragmatism imposes limits on genuine empowerment, if only because it “results in complete inertia.” (de Herdt and Bastiaensen 2004: 877) Maintaining professional standards of ‘excellence,’ and preserving monopolies of power may lie in tense relation to demands for local political engagement and involvement (Cooke 2003; Craig and Porter 1997).

Finally, managerial systems associated with new public management orthodoxy abstract from the morass of local culture and community, knowledge of which is often uncertain (Craig and Porter 1997: 53-54;
Strategic performance management systems like results-based management tools and monitoring and evaluation mechanisms strive to achieve operational results through time-bound, target-oriented planning frameworks. These management techniques embrace a “Christmas tree of aims” (Easterly 2002: 25) packaged as “technically necessary actions” and “assembled into compelling comprehensive frameworks” (Porter 1995: 83). Nonetheless, these managerial systems can be impractical and untenable given the nature of local dynamics or they may also control and usurp local development goals.

The Comprehensive Development Framework

The Comprehensive Development Framework arrived in 1999 at the World Bank against the backdrop of an emerging normative consensus in development that privileged poverty reduction achieved through partnership and participation, the term ‘CDF’ gradually becoming eponymous with this new paradigm. As such, the CDF lends itself to an examination through the analytical lenses of the technocratic and socio-political logics introduced above. While the CDF is widely recognized as the philosophical basis underpinning the Poverty Reduction Strategy Papers (PRSPs) as well as the brainchild of James Wolfensohn, its role as an impetus for internal organizational change for mid-level staff inside the Bank is less widely known.

In the wake of this new moniker, a new department—the CDF Secretariat—was created with the support of many bilateral agencies and presidential sponsorship. The Secretariat was expected to monitor ten countries (and Bank country offices) that volunteered to “pilot” the new framework, including Bolivia, Cote d’Ivoire, the Dominican Republic, Eritrea, Ethiopia, Ghana, Jordan, Kyrgyz Republic, Morocco, Romania, Uganda and Vietnam. Piloting the CDF inside Bank country offices was supposed to display the “willingness of key development agencies…to change their culture and practice” (Wolfensohn 2000: 3). The CDF involved the creation of a “management matrix” that would visually set out “who was doing or planning what” in order to create “real chances of achieving longer term targets in a more effective and accountable manner.” (Wolfensohn 1999: 27) The need for comparative monitoring and evaluation of these pilots marked the codification of the CDF into four “measurable” principles. These were: equal treatment between social and “structural” concerns and macroeconomic and financial issues, country ownership of the policy agenda, partnership with all stakeholders, and a long-term holistic vision of development built through national consultations and focused on results (CDF Secretariat 1999).

While the CDF has already been criticized for believing that “largely intangible benefits can be programmed, produced, and measured much like any other project output” (Pincus, 2002: 78), it makes sense to examine the micro-consequences within the CDF pilot offices to assess this claim. The rest of this chapter explores the institutional contradictions arising from these antithetical logics as experienced by World Bank staff situated within CDF pilot country offices.
3. Experiencing the CDF inside the World Bank

The CDF may have been a set of four lofty principles but what did it actually entail in local offices? What were its achievements? What, if any, obstacles did it encounter, and what can this tell us about the way organizational reform happens inside the World Bank? This section begins to address some of these questions based on an understanding of the CDF process inside two World Bank offices—Bolivia and Vietnam—that agreed to pilot the framework.

In a relatively propitious political context, Country Directors of World Bank offices in Bolivia and Vietnam capitalized on the plurality and ambiguity embedded within the CDF to engage in experiments of organization.

“…And then when the CDF came, it was a great. [It] provides a sort of institutional backing in which you can do anything. […] The people working in Bolivia said, “Great, the CDF provides the institutional cover to do things in the name of CDF things that you wanted to do in the Bolivian pilot which you wouldn't have had the cover to do. […] This is a wagon to hitch to.” (WBB P1: 0277-0232)\(^1\)

Notably, the CDF was largely perceived to have had a far smoother and more successful trajectory in Vietnam than in Bolivia. The following section argues that this derived from the CDF’s apparent incompatibility with the Bank’s existing technocratic practices and norms in Bolivia. The ambitiousness of the Bolivian pilot to challenge internal disbursement pressures and centralized lines of accountability, that is, to actively pursue some of the norms and practices of the socio-political logic, generated problematic, intense and explicit institutional tensions for employees. In contrast, in Vietnam institutional tensions were downplayed, subtler and less vivid. The following section presents these findings by referring to employee narratives to explore, in the first instance, the intra-organizational political consequences of the CDF and secondly, the power implications for Bank-government relations. The discussion between the political and power repercussions for the Bank arising from the CDF is separated for the sake of clarity rather than from a rejection of a reciprocal relationship between the Bank’s internal political relations and its external power resources.

De-centralization and the CDF: the politics of partnerships and pillars

In Bolivia, the World Bank office piloted the CDF by organizing itself into a “pillar structure” mirroring the Government’s 1997 Plan General de Desarrollo Economico y Social to demonstrate their support for Bolivia’s national development strategy. Three expatriates were decentralized to the local office to staff units that had become known as the Institutionality, Equality and Opportunity pillars. These pillars crosscut traditional operational sectoral divisions at the Bank—Environmentally and Socially Sustainable Development, Human Development, Poverty Reduction and Economic Management (PREM), Private Sector Development and Infrastructure, Financial Sector—leading to confusion over accountabilities.
Meanwhile, decentralizing power to local offices entitled country staff to draft contracts and appoint consultants without headquarters’ approval. Procurement reform also launched as part of the CDF challenged centralized and universal procurement practices. The Bolivia office recruited a financial manager and procurement specialist to facilitate the work of de-centralized pillar leaders, while a national professional filled the position of “Civil Society Coordinator.” Equality among pillar leaders was accepted and each rotated as the Bank’s Resident Representative, with this Representative accountable to the Country Director in Washington, D.C. The Country Director for Bolivia decentralized to La Paz during the summer of 1999 as part of the CDF pilot.

This de-centralized pillar structure proved problematic for the Bank’s bureaucracy because it interfered with its traditional centralized and hierarchical structures. In the Bank’s matrix management structure, sector staff are directly accountable to their Sector Coordinators (traditionally located at headquarters), although they are also seen to have responsibilities towards the geographic units in which they are located. The pillar structure challenged this accountability relation as the Bolivian office used the CDF to publicly throw its weight behind a short-lived domestic government strategy. National professional staff within the Bank sensed that de-centralization was still resisted in Washington, although they too shared skepticism of the appropriateness of modeling their internal organization on the Government’s pillar strategy.

In Bolivia there was, an experiment was also made with decentralizing the Bank's decision-making process. Which ended up being kind of a sham. […] It never really worked because in reality the process really wasn't decentralized. Ultimate decision-making was in Washington, not only at the Board but also with Washington managers. And also, the way it was internally organized here was incoherent in managerial terms. Three pillars and they were all equal and nobody came with a final decisions. Nobody was in charge of saying 'the buck stops here.' […]

The most stupid decision was made that the Bank's processes would not only be decentralized in Bolivia, be concentrated is the right word actually, but that the office itself would model, would model itself in terms of the Government's plan. And that was like. Ridiculous! I mean, how can you do such stupidity! (laughter) I mean the Government itself is not organizing itself according to its own plan how can the Bank organize itself according to the Government's plan! And that stupidity became evident when the plan was revised and the Government destroyed its own pillars! And the Bank was like, “Now what do we do with our pillars?” I mean that was something. I mean that was really stupid. (WBB P9: 0313-0358)

The pillar structure pushed the norms of localism forward by challenging sectors on the need for top-down bureaucracy with neatly defined lines of accountability and responsibility. While the CDF justified
this desire for increased autonomy from centralized managers and the greater importance attached to the “local” collective interest, it also resulted in “managerial incoherence” that generated an explicit and intense experience of institutional tension for staff.

Vietnam represents an entirely different scenario. Prior to the launch of the CDF, the Vietnam office had exercised decentralization opportunities first offered through the 1997 Strategic Compact that aimed to improve the Bank’s business activities with a one-time injection of US$250 million. With the arrival of the CDF, decentralization accelerated as six Sector Coordinators moved from Washington, D.C. to the local office and national professional staff numbers dramatically increased. Demand for “greater partnership” by the Vietnamese Prime Minister resulted in the Bank actively championing “Partnership Groups” across all sectors of donor activity. These groups met regularly and sought to improve information sharing and coordination (World Bank 2000). The 26 Partnership Groups set great importance on who chaired and coordinated donor activities. While the donor agencies chairing these groups varied by sector, the Bank assumed leadership in areas dealing with economic and financial policy as well as the highest profile group of all, the Poverty Working Group. The stated aim of all groups was to eventually yield the position of chair to government, a powerful symbol of enhanced “country ownership.” The Bank also hired a “Partnership Specialist” who, among other responsibilities, oversaw the production of Partnership Reports. These reports eventually became a biannual monitoring tool of the Partnership Groups.

Unlike in Bolivia, in Vietnam the CDF pilot did not antagonize central managers in Washington as it respected the Bank’s operational sector divisions. This being said, the CDF did generate conflicts as operational sector staff were now expected to engage in “innovative” activities (e.g. community development projects, participatory forums, etc.) that placed high demands on their time with little measurable benefit for either speed or quality of project implementation. Nonetheless, senior management and economists in the PREM sector continued to push these new poverty alleviation activities.

Q. You talked about the sectoral partnership groups. What was that and were you involved?

Again it is a very good idea. I mean you have, in this country, hundreds, literally hundreds and hundreds of different people participating in development, external agencies participating in development. All going in various directions and often contradicting each other in policy advice, the requirements they impose on government. Obviously it makes sense to try to bring people together. […] But it takes a lot of time. But we do have a partnership in [my] sector and it is fairly effective. But again, I can't spend much time on it. It is not as perfect as it could be. There are various competing… I see my number one priority is to ensure that all the projects that I am responsible for are
prepared on time and are implemented properly. And anything else for me is less important. Now, as we said right at the beginning, I am not sure that Senior Management would have seen it that way. They probably wouldn't have disagreed but certainly during [the last Director’s] time that would have been seen as a sore point. It would have been more important to go to the Partnership Meeting than to supervise the project. (WBV P10: 0370-0392)

Political tensions between operational sectors and PREM arose from the way the CDF challenged the meaning of professionalism itself. What did respect for professional norms entail—project management or ‘partnerships’ and policy dialogue? Who was a professional poverty alleviator—sector managers or PREM policy analysts? In Vietnam, narratives by operational staff identified such tensions but underlined their commitment to handling both “project and partnership.” Nonetheless, they often mentioned ‘lack of time’ as an important obstacle to reconciling both logics, and thus generally were able to justify their continued allegiance to traditional technocratic practices. Unlike in Bolivia however, the underlying rationality of the socio-political logic embedded in the CDF was never doubted, mainly because the CDF did not pose an imminent threat to existing configurations of professional autonomy and authority. The CDF conformed to existing norms of professionalism within the Bank, which can explain why there was less resistance to its institutionalization than in Bolivia where the location and definition of professionalism was explicitly challenged.

**Focusing on development results: the fight for power**

In Bolivia, the CDF provided a rationale for initiating a costly offensive against corrosive governmental corruption that threatened the managerial integrity of Bank projects. This intrusion into domestic matters was resisted not only by the Bolivian government, but also by senior Bank management fearful of the implications of this political action on their portfolio. Portfolio success in a country office is an important internal proxy for the Bank’s performance, acting as a strong symbol of its technocratic competence. Four factors measure overall portfolio success: (i) size and value of loans; (ii) rates of fund disbursement or disbursement ratios (iii) quality of lending in terms of development results; (iv) project supervision costs. Many studies of the Bank have suggested it possesses an over-riding concern with quick disbursement that has resulted in poorly implemented projects that fail to meet development objectives (Miller-Adams 1999; Payer 1982). Ironically, in such situations portfolio performance will appear to be better. While there are additional indicators of project quality within the Bank that seek to measure poverty impact and ‘results,’ the difficulty of tracing causality has translated into portfolio success remaining an important internal proxy of Bank effectiveness.

Frustration with government corruption in Bolivia resulted in the Bank using the pretext of the CDF to suspend disbursements across all projects in fiscal year 2000. This spurred a conflict between the Bolivian Bank office and the government over the limits and possibilities of the socio-political logic
represented by the CDF, for which the local office received little support or sympathy from Bank management at headquarters who feared short-run negative portfolio consequences. The government defended itself against the Bank’s attack on corruption by drafting an alternative version of the CDF, the *Nuevo Marco de Relacionamiento*, which underlined the importance of respecting “local” ownership norms. For its part, the local office countered this argument by underlining the importance of preserving the integrity of management practices, including auditing and disbursement regulations, despite the impulse of localism. They also justified their political intrusion into the arena of corruption in the short-run as a means of securing long-run improvements in disbursement ratios and project effectiveness.

We had here a very difficult project [that] was suspended for almost two years because we found corruption in the implementing agency. […] For instance in that case, the Bank had some requirements. And the Bank said okay, we cannot go ahead with disbursement if the audit is not ready. An acceptable audit saying that at least the funds that were not involved in those corrupted processes were used for intended purposes. And we were two people from the Bank in a meeting with twenty people from the government. […] Telling them these are the rules, we need this, this and this because of this. And suddenly a government official stood up and said, “I don't care. We as a government have the right to decide because the CDF gives us the right to decide. And the CDF says, ‘You have to be flexible with the government because of this and this and this.’” And he simply said, “I am going to talk to the Country Director.” […] That speech was made many times by different project officials, “No, the CDF says this.” So that was difficult to use because I couldn't go to the disbursement [unit] and say, “You know the Government says they are not going to do this because the CDF gives them the right to do it.” So that was when disbursement at some point said, “I don't understand that CDF. But the Bank rule says this. And this is the rule that governs my work. And I am going to require this.” (WBB P7:0659-0693)

The CDF became a media through which the contestation of power between the Bank and the Government occurred over the relative importance of measuring short-run Bank performance through disbursement proxies and the socio-political reality that disbursement pressures against a backdrop of corruption impinged on aid effectiveness. But without higher-level management support for such an offensive, the local office quickly lost both internal and external credibility as a ‘partner’ of government. This resulted in accounts of dislocations and tension for staff disappointed that the CDF could not generate internal consensus and courage to champion socio-political logics. The Bolivian office rapidly recovered their previous disbursement ratios, accelerated in part due to the emergence of a financial crisis in 2003 that legitimated pumping in greater aid resources to avert economic collapse.
In direct contrast to the Bank’s experience with the CDF in Bolivia, in Vietnam the office successfully obtained consensus with government on the relative balance to be maintained between technocratic and socio-political logics. Here, it is important to recognize that the relation of power between the Bank and the Vietnamese government favors the latter to the extent that Vietnam is a reluctant and slow Bank borrower. This is despite being assessed as having an extremely high capacity to absorb development funds (approximately US$ 800 million annually in concessional loans) and remains the Bank’s second largest concessional borrower in the world with its cumulative portfolio valued at over US$ 2 billion (World Bank 2002). The need to convince a potentially huge client of the merits of greater and faster borrowing for development requires donors to tread softly and subtly (Eyben 2003: 9).

Thus, the Bank was left to tactfully persuade the Vietnamese government of the merits of their financing. This was achieved by emphasizing that Vietnam’s expected growth rates would soon make it ineligible for concessional Bank financing. “In other words, if they don't lift their game over there in Government and if we don't lift our game in portfolio issues, the country loses anywhere between three to four billion concessional money that at some stage has to be borrowed from the financial markets at much higher rates.” (WBVP12: 0375-0379) Given this reversal of traditional donor-recipient power relations, the Bank cautiously addressed the controversial issue of corruption in an opaque Communist state for fear of jeopardizing an under-performing portfolio. Instead, the Bank sought to foster the government’s trust through the CDF and informally lobby for faster project implementation.

The Bank’s measured lobbying of government did not generate sought-after improvements in the portfolio, however. Portfolio performance stagnated as basic bureaucratic inefficiencies to disbursal within the Vietnamese government lay outside the negotiated consensus over the socio-political parameters of the CDF. Nonetheless, through CDF-inspired displays of confidence and good faith (e.g. partnership groups, consultations with other stakeholders, etc), the Bank acquired credibility in relation to the wider development community and government. The CDF also enhanced the office’s internal profile within the Bank, with Wolfensohn visiting in 2000 and staff receiving a Presidential Award for Excellence for their involvement with the CDF. These added internal legitimacy benefits may offer one explanation as to why the Vietnam office could deflect organizational pressures over its poorly performing portfolio for as long as it did (in sharp contrast to the Bolivian case), and why the CDF continued two years past the official end of the pilot phase in 2000.

[The Country Director] was spending all his time on this partnership stuff and people were saying, “Our portfolio is going down the spout.” Which it was, true to say, because he was spending all his time on donor relations and relations with government and being on TV, and all the rest of it. But people recognize that it has raised our profile enormously and on the whole went along with it. Vietnam has been the biggest feather in [Senior Management’s] cap because of everything on the CDF, and piloting everything. Because Wolfensohn came here and absolutely loved it, and still talks about
it three years later. And because of everything else we do. That more than compensates for the difficulties in the lending program. And, because other countries also have difficulties. We are not a worse case scenario by any means. (WBV P1 0747-0754, 0838-0854)

Nevertheless, the arrival of a new Country Director to Vietnam in December 2002 did seem to be directing attention towards the more conventional managerial concerns of project implementation and disbursement indicators. Operational staff in particular welcomed this shift in priorities away from partnerships and dialogue. In this new era, they described the previous Country Director as a visionary leader who had failed to achieve an appropriate balance between “portfolio” and “partnership”—the countervailing practices of the technocratic and socio-political logics of development.

4. Implications of CDF trajectories for Bank reform

The legacy of the CDF is certainly a mixed one. While Wolfensohn successfully generated field-wide support for his framework and bequeathed it a lasting legacy in the PRSP, his ability to translate its socio-political norms into concrete and lasting organizational practices within Bank offices proved more challenging. In the Bolivia office, strained relationships with government and headquarters resulted in a re-centralization of sector staff, the elimination of pillar groupings and the CDF’s termination in September 2000 at the official end of the 18-month pilot stage. Meanwhile, “partnership practices” and de-centralization continued for at least an additional two years in Vietnam, even if disbursement ratios continued to stagnate. Understanding this divergence in the ways the CDF unfolded inside the Bank can shed important light on the possibilities and limitations of future reform efforts.

It would seem there remains great difficulty challenging entrenched technocratic norms and practices of development inside the World Bank. While technocratic logics have been institutionalized in the development field since the post-war era and continue to be a characteristic feature of all bureaucracies, the strength of socio-political logics have ebbed and flowed in the history of development (Amrith 2004; Pieterse 2001). Practices that enact socio-political logics are typically framed as political resistance and social movements (Escobar 1995a; Escobar 1995b; Ferguson 1994) that do not square easily with the existence of large bureaucracies like the Bank. The CDF experience points to the fact that the Bank is still confronted with the dilemma of enacting socio-political logics through the application of technocratic practices (Cooke 2003; Crawford 2003). It must face the difficult question of how to bureaucratically organize for the championship of socio-political norms associated with practices of empowerment, social justice and cultural embeddedness. Platitudes like partnership largely remained decoupled from core project work in Vietnam, while more radical efforts in Bolivia seem to generate
considerable resistance from higher levels of Bank management. These tensions and conflicts ultimately result from the antithetical nature of the constitutive institutional logics of development.

Secondly, the difficulty in challenging the entrenched technocratic logic of development to advance the socio-political logic points to their intrinsic interdependence in the practice of development. It is this fundamental interdependence that must be acknowledged, and then exploited, if the Bank is truly committed to the advancement of the socio-political logic. One way this can occur is if organizational reform processes inside the Bank at least give the appearance of conforming to the scientific, professional and managerial norms of development. In our account, the Bolivian pilot experienced far greater difficulty institutionalizing the CDF because it overtly challenged technocratic practices like centralized accountability structures and disbursement indicators. In contrast, in Vietnam the CDF did not threaten the integrity of sectoral activities and interests directly, nor did it antagonize government over political reform or brandish the Bank’s powers of coercion. As might be expected, this subtler and more tactful approach in Vietnam provided a stronger platform of legitimacy that, in turn, could be used to deflect internal disbursement pressures and justify de-centralization beyond the CDF pilot phase.

The technocratic veneer of the CDF camouflaged an inherently political project of organizational reform that could challenge key ingredients of the Bank’s organizational culture—including the principles of a centralized bureaucracy where pre-occupations with disbursement reigned supreme. This finding supports those who suggest development organizations do strategically resort to technocratic languages and practices in order to launch challenges against them (Arce and Long 2000: 40). While more empirical and ethnographic attention within the Bank would be needed to determine whether Bank staff routinely exploit technocratic practices to camouflage engagement and advancement of socio-political goals, this essay marks an early attempt to highlight that room for maneuver does remain within the Bank (see also Bebbington et al. 2004). It gives reason for some optimism about the prospects of institutionalizing socio-political logics at the World Bank, even under James Wolfensohn’s controversial successor, Paul Wolfowitz. In fact, this paper highlights that widespread preoccupation with the appointment process of Bank Presidents may be misplaced as it ignores the significant ways Bank bureaucrats can and do manipulate executive directives.

In addition to conforming with technocratic logics, reform within the Bank will proceed with greater ease if it can secure legitimacy from external sources. For example, organizational tolerance of portfolio deterioration during the CDF pilot in Vietnam can also be explained by compensatory enhancements to the office’s bargaining position and reputation with the external development community. This points to the fact that within the Bank, legitimacy may be an alternative standard of excellence to “development results” and ‘disbursement ratios.’ In contrast, in Bolivia where the CDF nakedly challenged technocratic practices both within and outside the Bank, limited external legitimacy could not compensate for lack of internal legitimacy, with the result that even the slightest transgression of
technocratic practices was met with hostility. These divergent trajectories of the CDF may explain why in Vietnam, the experience of institutional tension was of lower magnitude and intensity than in Bolivia, with employee narratives taking plains to downplay the severity of institutional conflicts.

Finally, the type of institutional dislocation experienced in the CDF process may be an important indicator of possibilities for future reform. This finding supports theoretical claims that unsettling, emergent contexts heighten self-consciousness and improve future possibilities for acts of agency (Emirbayer and Mische 1998: 1006-1007). In Bolivia, the legacy of problematic institutional contradiction and the emergence of a growing and seemingly acute political crisis at the time of fieldwork in September 2003 combined to expand capacities for imaginative and/or deliberative responses to this uncertain context. This instability prompted a distinct imperative to disburse funds to provide the Bolivian government with the liquidity to prevent political and financial collapse. Nonetheless, the CDF had generated knowledge of opportunities for maneuver by the Bolivian office that could be brought to bear even in the present moment of crisis.

Before we were working for CDF, in the name of the CDF. Now I don't think it has any power. Now the new name of the game is harmonization. Now, before everybody was scrambling internally, institutionally to show progress on the CDF. Now they don't give a damn. Now they want to show progress on harmonization. Or doing the same sort of thing they were trying to do under CDF but now calling it harmonization instead of CDF. Now we are cooking something to bring out champions of harmonization. Saying it is okay to do this. It is okay to do this alignment. [...] Now the buzzword is harmonization. The task is to say, “Well, if this works, I'll use it.”

Q. So the CDF isn't over?

It is a change of names, emphasis and actors. That's all. (WBB P1: 0501-0514)

Narrative accounts of problematic institutional tension in Bolivia also demonstrate the excitement of unfolding possibilities for agency, largely missing in accounts from Vietnam (with the possible exception of those working in the PREM sector who stood the most to gain from the CDF). Meanwhile, a relatively unproblematic experience of institutionalization in Vietnam generated less need for considering alternatives to the CDF that had served the office reasonably well, with the result that ideas for future reform were considerably less ambitious.

5. Conclusion

This chapter has highlighted the ways the CDF, both conceptually and practically, suffered from contradictions deriving from a fundamental conundrum arising from multiple and conflicting institutional logics operating in the field of development. Traditionally governed by technocratic logics that have
privileged professional expertise and management skills, economic knowledge and apolitical and hierarchical bureaucratic interventions, development organizations realize that institutional legitimacy also requires adaptation to a logic demanding greater social justice for the poor and embedded change processes driven by local participation and devolved control of the development apparatus. This institutional contradiction is highly apparent in country offices where employees are located on the threshold of clashing logics, as in the case of Bank country offices trying to institutionalize the new poverty agenda by experimenting with the CDF.

The divergent trajectories of the CDF experiment derived in no small part from the ways the CDF was exploited to alter the balance between technocratic and socio-political logics within the specific intra-organizational and national contexts of each office. In Bolivia, the CDF was more visibly antagonistic to traditional constituencies as it explicitly sought to challenge entrenched technocratic practices to advance reform; hence the greater intensity and prevalence of problematic institutional contradiction. In contrast, the less ambitious political project in Vietnam framed itself as conforming to the Bank’s technocratic norms and practices, which may explain why employees could and did reconcile institutional tensions in their accounts of the CDF. As the office gained legitimacy and power through the CDF, even underperformance of the traditional standard of technocratic excellence—the portfolio—could be tolerated. These divergent processes and experiences of institutional tension provide some tentative indication of the direction that future reforms within each office might take.

In his critique of the CDF, Devesh Kapur writes that it “paper[ed] over the inevitable conflicts between competing objectives by a mindless win-win argot that substitutes saccharine for substance and avoids the reality of trade-offs.” (Kapur 2002: 74) Although the CDF proposal was certainly an ambitious project of organizational reform that did present itself as a way to reconcile conflicts between technocratic and socio-political logics, this paper should also demonstrate that its institutionalization was always going to a fine balancing act between the institutional logics embedded in the new poverty alleviation paradigm. By paying lip service to the “reality of trade-offs,” the CDF permitted strategic actors to challenge entrenched bureaucratic interests and practices and discover the relative costs and benefits of tradeoffs themselves as they pushed the boundaries of acceptable organizational reform. While the CDF failed to transform technocracy in any sustainable or systematic way, that a strategic challenge could, and indeed was, temporarily mounted against technocracy in both offices bodes well for future efforts to take socio-political logics forward within the World Bank.
Notes

1 The codes included after quotations refer to the country office (WBV for the Bank’s Vietnam office and WBB for the Bolivian office), the primary document (a coded reference to the informant in question), and the actual lines of the transcribed text.
Bibliography


