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Research, knowledge, and the art of 'paradigm maintenance': the World Bank's Development Economics Vice-Presidency (DEC)

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ABSTRACT

Despite widespread analysis of the World Bank's lending operations by both supporters and critics, there has been little external or systematic analysis of the Bank's research department. This is remarkable, given that the Bank has become the hub of development research worldwide. This article begins to fill in that gap by exploring the political economy of the research conducted within the World Bank's Development Economics Vice-Presidency (DEC). Despite the Bank's public presentation of its research arm as conducting 'rigorous and independent' work, the Bank's research has historically become skewed toward reinforcing the dominant neoliberal policy agenda. The article includes a detailed examination of the mechanisms by which the Bank's research department is able to play a central role in what Robert Wade has elsewhere termed 'paradigm maintenance', including incentives in hiring, promotion, and publishing, as well as selective enforcement of rules, discouragement of dissonant data, and actual manipulation of data. The author's analysis is based on in-depth interviews with current and former World Bank professionals, as well as examination of internal and external World Bank documents. The article includes analysis of the Bank's treatment of the work of two of its researchers who write on economic globalization and development: David Dollar and Branko Milanovic.

KEYWORDS

World Bank; globalization; neoliberalism; development research; Knowledge Bank.

INTRODUCTION

The World Bank carries out two broad functions: lending (for both projects and policy-based non-project loans) and research. Most academic and

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advocacy work has focused on the World Bank's lending side—that is, on its 'operations' departments.[1] The overriding focus on operations is not surprising given the World Bank's role as the preeminent public lending institution in the world. But the concentration of those outside the World Bank on its lending operations leaves relatively untouched the area where the present author has now come to believe the World Bank wields significant power in influencing development in theory and practice: the 'paradigm maintenance' role—to use Robert Wade's term[2]—played by its research on broader issues of economic development and especially concerning the relationship between the global economy and development.

The current article focuses on the World Bank's role as maintainer and projector of the neoliberal economic paradigm, the paradigm that came to prominence in the 1980s and 1990s and that centers on deregulation, privatization, and financial and trade liberalization. To do so, the article explores the political economy of the World Bank's research department, currently located under the Development Economics Vice-President (who is concurrently the Chief Economist). This is important because the World Bank (hereafter, the Bank) has become the largest center of development research in the world and, within it, the Development Economics Vice-Presidency (DEC) the central hub. Yet, as one Bank economist admitted, DEC has been 'totally un-scrutinized' by the outside (Interview, 2004 July13). The article concludes that DEC plays a critical role in legitimating a 'neoliberal globalization' (Helleiner, 2003) paradigm at the expense of independent and objective research.

In deconstructing DEC, the article delineates a set of six inter-related processes and mechanisms[3] through which DEC, at times collaborating with other parts of the World Bank, performs its paradigm-maintenance role by privileging individuals and work 'resonating' with this ideology. These mutually-reinforcing structures include a series of incentives—increasing an individual's chances to be hired, to advance one's career, to be published, to be promoted by the Bank's External Affairs department, and, in general, to be assessed positively. And, they also include selective enforcement of rules, discouragement of dissonant discourse, and even the manipulation of data to fit the paradigm. As the article demonstrates, this incentive or reward system is typically unstated, may even negate the formal or stated procedures and, as such, functions as 'soft' law. This is done in a way that undermines debate and nuanced research conclusions, instead encouraging the confirmation of *a priori* neoliberal hypotheses.

METHODOLOGY

The original research for this paper consists of a series of in-depth interviews with current and former World Bank professionals, the majority from DEC, in 2004 and 2005.[4] An historical element is added through the use of relevant material from a series of interviews conducted by the author in the early 1980s.[5] The recent set of more than 20 interviews involved current and former Bank staff, the majority economists but including some non-economists as well.

Interviews were semi-structured but fairly open-ended. It is impossible to claim that the 2004 and 2005 set of interviews is totally random or widely representative. However, 'snowball' interviewing—whereby one interviewee suggests another—was consciously avoided in an attempt to avoid reaching only a particular and non-random subset within DEC. Rather, multiple, differentiated contacts—themselves holding different ideologies—were used to reach various levels of Bank professionals, working on different research topics. Given the choice between email, phone, and face-to-face interviews, the vast majority chose to meet. Face-to-face interviews were held outside the Bank.[6]

An initial set of interviews with current and former Bank professionals in early 2004 led me to examine more closely how the Bank treated the work of two of its researchers: David Dollar, one of the most prominent economists researching at the Bank and whose research supports the prevailing paradigm; and Branko Milanovic, an economist whose work challenges the prevailing paradigm. I draw from these examinations to help delineate and illustrate the processes and mechanisms of paradigm maintenance.

The interviews were augmented by an extensive review of the primary and secondary literature, including internal Bank documents. The Bank phone book, officially The World Bank Group Directory—a public document through 2003 but now confidential—served as a database of sorts. The relative lack of overall systematic inquiries into DEC means that there is little writing on the topic. The current inquiry was, however, aided considerably by the background—details and perspectives—provided by a handful of Bank economists who did write about Bank research: Barend de Vries (Deputy Director of the Economics Department in 1965); Lynn Squire, Director of the Bank's research department from 1993 to 1997 and from 2000 to 2003 Director of Development Policy in the office of Bank Chief Economist Joseph Stiglitz; Nicholas Stern (1997, who subsequently served as the Bank's Chief Economist and Senior Vice President from July 2000 to October 2003); and Jean-Jacques Dethier (from an unpublished 2005 presentation given while a lead economist in DEC and later in 2005 promoted to Research Manager in charge of DEC's Research Support).[7] Another insider of sorts, Robert Wade, has managed to consult for the Bank but also pen articles that provide fascinating details and insightful analysis; these stand as the seminal academic works on the Bank and 'the art of paradigm maintenance'(Wade, 1996, 2001, 2002).

As mentioned above, thus far, most of the external literature—by academics and advocates—on the Bank has left its research department relatively unexplored. But the pertinent secondary literature—from Ben Fine's analysis of Bank discourse on social capital (2001) to the Bretton Woods Project's forays into Bank 'knowledge' production—will be cited when relevant throughout the current article.

HOW THE BANK CAME TO EMBRACE THE NEOLIBERAL PARADIGM

It is a central thesis of this article that the World Bank has played a critical role in the legitimization of the neoliberal paradigm over the past quarter century and that its research department in its various incarnations has been vital to this role. It is important to analyze how this came to be.

Created during World War II alongside the International Monetary Fund (IMF), the Bank in its early years found itself largely marginalized from the challenge that was to have been its primary task: the reconstruction of war-torn Europe. That job was subsumed by the US government via its Marshall Plan, leaving the Bank to ponder how to assume the 'development' task left to it.

Research Director Leonard Risk came onboard in 1946 to head up a so-called Research Department (and stayed until 1960), and in 1948 the Bank made its first loan to a developing country. Overall, however, the late 1940s and much of the 1950s was a period of relative impotence for the Bank. This was certainly so in terms of influencing development thinking or policy in the Third World, where structuralist theory and import-substitution industrialization policies were spreading in the early post-war years.[8]

But a confrontation of development paradigms was already brewing. Take, for example, World Bank President Eugene Black's 1952 trip to India which left him 'vexed by what he considered India's doctrinaire and unrealistic discrimination against private capital, and its unjustified preference for industrializing through investment in the public sector' (Mason and Asher, 1973: 372). India's finance minister had another point of view, terming the Bank president 'India's public enemy number one' (Mason and Asher, 1973: 422).

Indeed, there is evidence that much of Bank thinking has historically been biased toward trade liberalization and export-orientation. As Barend de Vries, Deputy Director of the Economics Department in 1965, recalls, 'The Bank has long had an interest in outward orientation' (1996: 231). De Vries (232) points to 'the publication in the 1960s of occasional papers', including his own in 1967, as indication of the Bank's use of research and writing to influence development thinking and policy. So too when the Bank decided to turn 'its attention vigorously' to the problem of import-substitution industrialization in the mid-1960s, it did so by undertaking a long series of scholarly reports documenting the pitfalls of that model, both theoretically and through a 14-volume attack on India's economic policies (Broad, 1988: 31, quoting Mason and Asher, 1973: 376; Balassa, 1971).[9]

Such Bank work foreshadowed the neoliberalism of the 1980s and 1990s where governments came to be seen as a part of the problem. But, in the 1950s and 1960s, neoliberalism had not yet gelled within the development community *writ large* or within the Bank. Rather, the early post-World War II years marked the reign of Keynesianism in developed countries. The very logic of a World Bank—which had architects that included Lord Maynard Keynes himself—was rooted in the Keynesian notion that government intervention, be it through money or through planning, was needed to fill 'gaps'.

As the late Dragoslav Avramovic, who was at the Bank from 1953 to 1977, told the author in a 1982 interview, the post-war Bank was porous in terms of 'ideology'; while it had a clear preference for export-orientation, it also had room for alternative views. Indeed, Avramovic, who was not a neoliberal economist, rose in profile and rank within the Bank to become Director of Special Economic Studies (1965–1967) and Director of the Development Economics Department (1976–1977). 'It was no problem for me in the 1950s and 1960s', Avramovic explains. 'The World Bank was a modest institution ... [and] wasn't so tightly controlled ideologically and hierarchically' then. Avramovic calls it the difference between an 'ideological preference for a specific model of development', which the Bank always had, and the 'firm, obsessive ideology' that began to take root in the 1970s and hardened into the neoliberalism of the 1980s. By 1977, the ideology had hardened enough so that Avramovic (who was also advising the Group of 77 and UNCTAD) had sufficient 'tensions' with top Bank officials to resign (Interview, 1982 July 2).[10]

This hardening or tightening into neoliberalism 'coincided' with a concatenation of events that increased Bank power during the presidency of Robert McNamara (1968–1981). Important was the creation of a new Bank lending instrument in 1979: 'structural adjustment lending' (SAL). The key distinction is that this non-project money is lent not for physical projects but rather is in essence balance-of-payments support given in exchange for policy changes by the recipient country. This is what is often called 'conditionality'.

The Bank's SAL conditionality has a wide span, but it concentrates on a core set of neoliberal medium-term economic conditionalities that were christened the 'Washington Consensus' by economist John Williamson (1990). Neoliberal conditionality pushes integration with the global economy through export-promotion and other free-market trade, privatization, deregulation, and liberalization policies, often complemented by microeconomic policy changes.[11]

Bank economic research was key to the evolution of this set of SAL conditionality. Under McNamara, 'the rise of economists' in the Bank, that

Stern dates to the late 1960s, 'continued' (Stern, 1997: 535), and research was elevated to the level of a vice-presidency. Even given the earlier 1960s forays into research, it was McNamara who appears to have truly grasped the overall importance of broader economic research for the Bank: 'We feel an obligation to look beyond the projects we finance toward the whole resource allocation of an economy, and the effectiveness of the use of those resources' (Stern, 1997: 535). In terms of SALs, as McNamara phrased it in a 1979 speech at UNCTAD, this meant that the Bank would assist 'developing countries that undertake the needed structural adjustments for export promotion in line with their long-term comparative advantage' (quoted in Broad, 1988: 53).

Hungarian economist Bela Balassa, who first came to the Bank in 1966, was what Stern (1997: 534) calls an 'important influence' in this paradigm hardening. As Stern expands: 'In time, he came to be seen as one of the leading defenders of the price mechanism, as well as a prominent proponent of outward orientation. But he himself stated that those ideas were not dominant in the Bank at the time of his arrival' (534). Balassa's research was especially important as a foundation for the model behind SALs (Broad, 1988: 52). As de Vries wrote, what the Bank did with SALs was to build on 'Balassa's type of analysis in that it linked reduction of effective protection with reform in a number of specific industries' and a 'wider recognition of the role of markets'. Case in point, de Vries noted proudly, was the 1980 report on the Philippines which he co-authored that 'recommended a phased reduction in tariffs, reform of investment incentive policies, liberalization of import restrictions . . . The report and subsequent policy understanding with the government laid the basis for the Bank's first SAL'[12] (de Vries, 1996: 232; see also Belassa *et al.*, 1971, 1979, 1982; de Vries, 1980; World Bank, 1980).

In fact, Nicholas Stern (1997: 539), who became the Bank's Chief Economist in 2001, dates the Bank's 'intellectual' leadership to the advent of structural adjustment. Indeed, the 1980s marked a period of change that coincided with the time of 'growth of responsibilities' for the Bank.[13] Lending grew 10-fold during McNamara's 1968–1981 administration. Some of this was due to the fact that SALs were larger than project loans. But, in addition, demand for Bank resources, and especially SALs, increased as the so-called Third World debt crisis brought to the Bank more borrowers, desperately in need of the balance-of-payments support offered by SALs and with little choice but to accept the medium-term economic conditions that were part of the package. The Bank and SALs attained even more power in late 1984 when the US government unveiled its Baker Plan to get more money to and impose more conditionality on key debtor countries (Broad, 1987).

Each period and each administration brought important changes to the research department but, since McNamara, also continuity in terms of the neoliberal paradigm.

While McNamara lay the groundwork for DEC's role in paradigm maintenance, further 'hardening' was left to his successor. In terms of the research department's paradigm-maintenance role, a key reorganization in 1982 (after A.W. 'Tom' Clausen became President) installed Anne Krueger, known for her free-market work on 'getting the prices right' (Francisco Ferreira and Louise Kelly in Gilbert and Vines, 2000: 192), as Vice-President of the Economics Research Staff. With Krueger came an even more pronounced 'shift toward macroeconomic and trade issues' (Stern, 1997: 537). Krueger relied heavily on Balassa who was known not only for his work but also as 'someone who championed the implementation of research results' (Squire, 2000: 116).

And, the role of SALs and concomitant Bank neoliberal policy conditionality increased. Since McNamara's time, the World Bank has used various names for these: structural adjustment loans (SALs), sectoral loans, anti-poverty loans, and, more recently, development-policy support (World Bank, Operations Policy, 2002, 2004). Non-project lending has become the norm in recent years, exceeding one-third of total lending since FY98. By FY99, structural adjustment lending stood at 63 percent of total IBRD and IDA lending (World Bank, Operations Policy, 2002: 9).

Let us leave it to Stern (1997: 539) to recap the paradigmatic metamorphosis that changed Avramovic's porous institution into one embracing a specific paradigm: '... in the mid-1980s and in the discussions of adjustment, the Bank, notwithstanding its slow response in the 1970s to the changing views in the profession, became a prominent champion of the central tenets of the neoclassical resurgence ... It was during the 1980s and on this topic [of structural adjustment] that the Bank was seen to be leading the charge of the neoclassical resurgence'. At the center of this was DEC. But Stern (1997: 598) is also quite candid about what this embrace of neoliberalism meant for an institution that once welcomed the likes of Dragoslav Avramovic: 'A switch of interest toward markets and prices was welcomed by many. However, some spoke of a decline in the research atmosphere, of a degree of intolerance, and of a requirement to toe the "party line"'.

DEC'S STRUCTURE, ROLE, AND IMPACT

To understand DEC's role in this paradigm maintenance, it is critical to understand how DEC works. Research is done throughout the Bank. The present paper, however, focuses on research that is conducted in DEC, within the domain of the Chief Economist, and not Bank research more broadly defined (that is, including research in Bank Operations and Evaluation units). This focus makes sense because DEC is the preeminent place for economic research within the Bank. Quantitatively, according to former research director Squire (2000: 111), 'nearly three-quarters of Bank research is located in units under the direction of the Bank's Chief Economist, who has overall responsibility for the Bank's research programme'. In putting DEC under a microscope rather than all Bank research, the explicit purpose is to scrutinize that part of the Bank which should be the most objective and academic, that part of the Bank which is considered to be the crème-de-la-crème of Bank research, and that part of the Bank which should arguably be the least influenced by the Bank's lending or policy prerogatives.

In terms of DEC's internal structure and hierarchy, DEC is headed by the Chief Economist—Francois Bourguignon, as of this writing; and before that Nicholas Stern (2001–2003). From 1988 to 1990, the post was of Chief Economist and Vice-President of Development Economics and was held by Stanley Fischer who later moved into senior positions at the IMF. As recently as 1991, the research department was called Policy Research and External Affairs (PRE) when Larry Summers was Chief Economist and Vice-President, Development Economics.

In late 1992, another consolidation of Bank research occurred, putting 'all research ... under the Chief Economist and Vice President for Development Economics' (World Bank, Historical Chronology). In 1995, James Wolfensohn inherited this structure but changed the title to Senior Vice-President, reporting directly to the President.[14] He hired Joseph Stiglitz for the job in 1997.

Under the Chief Economist is a Research Committee and DEC's various departments or 'groups'. In the Chief Economist's inner domain are his right-hand advisors, such as a speechwriter (such as David Ellerman in the Stiglitz period), a Director of Development Policy (as of this writing Alan Gelb and before that David Dollar), and a Chief Administrative Officer. Among DEC's various other 'groups' is the Research Support Unit which, according to the Bank website 'sponsors research projects in [all] parts of the Bank'. Another group, the Partnership Unit, is tasked primarily with publishing the Bank's two 'scholarly' journals. In addition, a so-called 'functional responsibility' department is the group that produces the annual *World Development Report* (Dethier, 2005a: 6; World Bank, Information Solutions Group, 2005).

However, the majority of professionals under the Chief Economist fall into three groups each headed by a Director: (1) the Development Data Group (DECDG) for data and statistics; (2) the Development Prospects Group (DECPG) for 'global monitoring and projections'; and (3) largest and most important for the current article, the Development Research Group (DECRG) for 'research and knowledge creation' (http://econ.worldbank.org/WBSITE/EXTDEC). The Director of the Development Research Group (as of this writing Alan Winters)—at times referred to as the 'Director of Research'—reports to the Chief Economist.

Reporting to this Director of the DEC Research Group, so-called 'Research Managers' (unit heads) lead each of the approximate half-dozen research units (the number is constantly changing) covering various macro and micro issues from 'trade', 'finance', and 'investment climate' to 'poverty', 'public services and rural development', and 'infrastructure and environment'.[15] Within each DEC research unit, there are perhaps 20 individual professional researchers reporting to those Research Managers (World Bank, Information Systems, 2001, 2003, 2005). These professionals hold one of four ranks: Economist or Social Scientist; Senior Economist; Lead Economist; or Senior Advisor. As will be seen, this hierarchy—from individual researcher to a research manager to the Director of the DECRG—is important in terms of the mechanisms of paradigm maintenance.

Why is DEC important? In brief, DEC is, as a lead economist there phrases it in one of the few public presentations about DEC, 'quantitatively a major player' in terms of the 'number of researchers; of publications; budget' (Dethier, 2005a: 4).

Let us begin by looking at the budget. According to internal documents, DEC's 'program cost' over the last five years seems to have been in the upper $30 millions or lower $40 millions, trending upwards to reach (a planned) $50 million for 2005.[16] This is an enormous budget for a research institution, making it 'the largest development research institution in the world' (Squire, 2000: 49). By contrast, the Heritage Foundation, one of the most influential think-tanks in Washington, DC, had an annual budget of $34.6 million in 2003 (Heritage Foundation, 2003: 33). And, the entire United Nations Conference on Trade and Development secretariat has a budget of $50 million (www.unctad.org).

The Bank's research department plays a role both in and outside the Bank. As Dethier (2005b: 15, 2005a: 3) sums it up: 'DEC's research has influenced world opinion and shaped policy priorities'. World Bank's Operations staff find much of their intellectual girding in Bank-generated research and writing. As noted in the prior section, the majority of Bank lending is for non-project loans that require recipient governments to implement certain medium-term macro-economic policies rooted in the Bank's overall neoliberal paradigm of development. Dethier (2005a: 3–4) supplies empirical evidence: 'Research has often contributed directly to shaping lending strategies and operations ... Bank staff outside research [i.e. DEC] rely heavily on DEC's outputs. A reader survey in 2004 found that more than 80 percent of staff said that Bank research had influenced their thinking about development issues "a great deal" or "a fair amount" ' (see Squire, 2000: 125 for a 1997 study).

As more than one interviewee states, this does *not* mean that operations people have time to read the research—or more than an executive summary. But within the Bank, it is Bank knowledge that is most accepted. As a former Bank economist notes in an interview: 'to the extent that anyone in Operations looks at research, they will look at World Bank research. There is very limited use of independent research' (Interview, 2004 February 26; reiterating statement by Interview, 2004 February 19).

The Bank has set up formal structures to try to ensure the transfer of research 'knowledge' to operations. Most notable is that one-third of a researcher's time (i.e. 13 weeks per year) is to be spent doing what is called operational 'cross-support'. This, a DEC economist explains, guarantees that DEC researchers see a good part of their work as research that must be marketable to operations (Interview, 2005 July 6). (This point is expanded upon in the subsection on 'promotion', later.)

Beyond its power to provide the intellectual rationale for the operations side of the Bank, Bank research has widespread influence in research and policy-making work in the broader development field. Indeed, the Bank sees its role as such: DEC is '... to provide intellectual leadership in [the] development community', according to the first sentence of its mission statement (World Bank, *The World Bank's Programs and Budgets for FY04–06*: 92). Concludes a 2000 Swedish government report, the Bank is 'dominant as the main purveyor of development ideas' (paraphrased in Wilks, 2004).

In essence, DEC also serves as a research department for other bilateral aid agencies and other multilateral development banks, which often follow the course laid out by the Bank. So too with the World Trade Organization, which, according to an internal Bank document ('Leveraging Trade for Development: World Bank Role'), 'looks to the Bank to provide analysis on trade integration policies' (paraphrased in Bretton Woods Project, 2001b: 2; see also Dethier, 2003b: 15). Chief Economist Stern emphasized this in a 2001 meeting with the *Financial Times*, which reported: '... the chief economist of the World Bank ... promised that the bank would provide intellectual firepower to the World Trade Organization .... "The World Trade Organization doesn't have the research capacity the World Bank does and looks to us to push the trade research agenda", he said. "... The World Bank is the only organization with the depth of knowledge at the country level you need to discuss trade issues seriously" ' (Beattie, 2001).

Bank research is consulted by policy-makers across the globe. According to a 1998 third-party survey of 'high-level policy-makers' in 11 countries: 'World Bank research was evaluated as influential by 79 percent of the respondents' (Abt Associates, 1998 study, cited in Squire, 2000: 126). As a Brazilian government official, quoted in a 2003 study by the Bank's Operations Evaluation Department (OED: 62), explained: 'The Bank is *the* institution which we address when we need some kind of information or advice'.

The 'impact' can also be gauged in part by so-called 'citation indices' that tally how frequently a publication is cited by others in 'leading' journals. Here too one finds evidence of the strong influence of Bank publications. DEC Research Manager Dethier (2005a: 4) summarized various surveys to conclude: 'We are also well known' as can be seen by the 'numbers of citations'. In particular, from 1998 to 2003, 85 DECRG staff produced 520 papers that led to 2194 citations (ISI Thomson Scientific Database, 1998–2003, cited in Dethier, 2005b: 13). The relatively stronger weight carried by DEC papers is made clearer by Dethier's calculations that this is 4.22 average citations for each DECRG paper, as compared with 3.63 for World Bank papers overall and 1.71 for 'all papers' (2005a: 4, 2005b: 16).[17]

In academia, as well, relevant courses often rely heavily on World Bank research papers. Squire, Stern, and Dethier all emphasize the 'impact' of DEC and its predecessors on the academic community. Squire (2000: 126–7), in making the case for the importance of DEC, notes: 'Bank-authored studies ... are well represented on reading lists in university courses in economic development ... In a collection of ... mostly graduate-level ... development course reading lists published in 1995, one-sixth of the entries were by Bank authors'. Stern (1997: 590), citing a 1990 study on 'development economics syllabi' also finds 'one-sixth of the reading assignments were drawn from World Bank research publications and journal articles'.

In addition, the Bank gauges DEC's impact by media coverage. According to Squire: 'Bank research also receives press coverage, which extends its dissemination to the general development community. The *Financial Times* and *The Economist* are most likely among newspapers and magazines to carry a story on Bank research and to draw on Bank statistics' (Squire, 2000: 126, based on 1996 World Bank 'Report on Research Program').

In short, DEC is the research powerhouse of the development world.

MECHANISMS OF PARADIGM MAINTENANCE

> In the World Bank, I have heard it said that if economists understand anything, it is incentives (David Ellerman, 2005: 25).

The previous sections have offered the history of the hardening of the neoliberal paradigm within the World Bank alongside the consolidation of Bank research into its current structure within DEC, as well as the impact of DEC both inside and outside the Bank. This provides the background to focus now on DEC's processes and mechanisms of what Robert Wade has termed 'paradigm maintenance'.

This section relies heavily on the set of interviews conducted by the author, primarily during the late Wolfensohn period. In describing the workings of DEC, Bank professionals emphasized that there is no set of clear rules or written policies that explicitly direct researchers to work within the neoliberal paradigm. Rather, what they described could be called 'soft law', establishing a *de facto* series of incentives that make it clear—all along the DEC hierarchy—what kind of research is being encouraged.

In response to probes about what topics a DEC researcher might choose, what kind of research might receive the most funding, and what topics were, in general, privileged by DEC, more than one economist interviewed used the term 'resonance'. Almost all the interviews offered at least one example of a set of inter-related processes and mechanisms that privilege individuals and work that 'resonate' with the neoliberal ideology.

In its public documents, the World Bank denies any such bias and claims objectivity in its research: 'The World Bank's research program is intended to answer questions about policies that will support development and alleviate poverty in developing countries. To meet this objective, research projects must be focused on pressing current issues; must be relevant to many countries; must be rigorous and objective ... ' (World Bank, Research Advisory Staff).

Yet it is extremely significant that in the Bank's confidential internal documents, the objectivity of its research mission at times disappears and the meaning of 'resonance' becomes clearer. DEC's 'official use only' (i.e. confidential) budget document for 2004–2006, which is aimed at a limited, internal audience and is meant to defend its request for funds, is revealing in this regard:

- Listed first among DEC's 'thematic knowledge emphasis' to 'underpin DEC's strategic purposes and work program priorities' is 'Trade and Investment Climate: *integrating developing countries into the global trading system*, expanding multilateral development assistance for trade, and building an investment climate which is conducive to sustainable growth ... ' (World Bank, *World Bank Programs and Budgets for FY04–FY06*, 'Development Economics Compact Summary': 92, emphasis added).
- First among DEC's 'major contributions to corporate [i.e. World Bank] strategy goals' is again 'trade and integration' with research in four areas including 'barriers to market access for goods and services; ... how international engagement, especially trade agreements, *can help improve* access to markets abroad and deliver reform at home' (92, emphasis added).
- First of DEC's successful 'final outcomes': 'Developing countries are fully integrated into the global trading system; WTO rules are seen to support development by stakeholders' (95).
- Interestingly enough, the same table lists 'Assumption: trade reform will be achieved and it will contribute to pro-poor growth' (95).

In other words, internal documents indicate that DEC states the mission of its trade and globalization-related research, not as an *a priori* hypothesis, but as fact, as if it already knows the answer. Reflecting on this overall research frame, one senior Bank economist commented: 'The question for research at the Bank should be "what is the best thing that [we] could do to alleviate poverty in the South?" ... But the World Bank has already accepted that global integration is best [rather than posing it]' as a legitimate question for research (Interview, 2004 February 23).

How does this play out? How does it work? The rest of this article lays out six mechanisms or processes delineated by the author through which this 'resonance' is achieved. A number of the interviewees referred to the 'high profile' work of prominent DEC economist David Dollar as they explained these structures and incentives, and so I examine the Bank's treatment of Dollar's work to help delineate and illustrate these processes and mechanisms. For the purposes of the present article, 'high-profile' research is defined as writing that meets various criteria: published by the Bank (typically first as a Working Paper), projected and publicized by the Bank (through additional funding), known within the Bank, and known outside the Bank as a result of media and policy attention.

By way of comparison, others pointed to the work of a far less prominent DEC economist whose research and writing does not resonate with the neoliberal paradigm and has not been similarly promoted by the Bank: that of Branko Milanovic. Hence, I also examine Milanovic's work to illustrate what I term 'low profile' DEC research.

Before analysis of the broader incentives and mechanisms, let me briefly summarize the 'profiles' and lay out the main tenets of the work of each of these two DEC economists.

David Dollar argues that trade is good for growth: the extremely prolific David Dollar has been cited, in one article, as a 'more recent supporter' of the 'view' espoused by Belassa in the 1980s (Kanbur and Vines, in Gilbert and Vines, 2000: 104). Click on the Bank's homepage in 2004 and, among the dozen or so displayed items, Dollar's name appears prominently: one is an 'online discussion with David Dollar', and another is 'Q & A with David Dollar' (2004a,b). For many in the media, academia, and policy-making circles, Dollar's work on trade and economic growth has been transformed into a widely-cited, empirically-proven 'fact' that 'globalizers'—countries wedded to the Washington Consensus, especially to liberalized trade—experience higher economic growth rates than 'non-globalizers'. As Dollar and a co-author phrased it in an article in *Foreign Affairs*: '... openness to foreign trade and investment, coupled with complementary reforms, typically leads to faster growth' (Dollar and Kraay, 2002: 126; see Mallaby, 2004; Zoellick, 2002).

While some of Dollar's work was co-authored with Art Kraay (as of 2005, with DECRG) in various forms from internal Working Papers to external referee-journal articles, Dollar himself has become somewhat of a celebrity not only within the Bank but also in the academic and policy world. At least one former operations economist tells me that Dollar is the head of DEC—in other words, there exists even among some close to the Bank the perception that he holds an even higher position. Dollar is listed on the Bank website as a 'key World Bank spokesperson [i.e. not simply a researcher] on globalization' (web.worldbank.org/WBSITE/EXTERNAL/NEWS). Dollar talks to standing-room-only crowds. His work has been quoted in the media—at times, citing him by name and typically citing his conclusions as fact.

Branko Milanovic argues 'against globalization as we know it': on the other hand, take the case of Branko Milanovic's 'low-profile' work on globalization via his research and writing on 'The Two Faces of Globalization: Against Globalization As We Know It' (Milanovic, 2003).

Milanovic used empirical evidence to make the case there is 'another face' to economic globalization, an unseen (by the World Bank and, by inference, by other proponents of globalization) underside whereby integration with the global economy often exacerbates inequality and does not necessarily stimulate greater growth:

> ... globalization is regarded as a benign and automatic force that, once certain preconditions are set in place ('sound' macropolicies ...) will inexorably lead countries and individuals to a state of economic bliss. We show here that this view of globalization is based on one serious methodological error: a systematic ignorance of the double-sided nature of globalization, that is, systematic ignorance of its malignant side. We show ... how a more accurate and realistic reading of globalization requires, in many respects, different policies from the ones suggested by *the naïve (or self-interested?) globalization cheerleaders* (2003: 668, emphasis added).

Interestingly enough, however, his work has received some attention outside the Bank, but decidedly less than Dollar's. A brief article on the Dow Jones News Wires wrote of Milanovic's work, with the intriguing opening line: 'A new World Bank study has challenged one of the most cherished ideas about the virtues of freer trade and investment', noting that '[t]he findings also contradict the World Bank's official view'. The work attracted notice by Bank critics; for example, the 50 Years Is Enough list-serve circulated the Dow Jones Newswire (Rebello, 2002).

By building on analysis of these two researchers combined with interviews and a thorough literature review, we are now in a position to delineate the six mechanisms and processes through which DEC provides the 'incentives' for 'resonance' and the resulting paradigm maintenance.

1. Hiring

The structures through which these incentives play out are multiple and they begin with hiring biases. While countries of birth and nationality may lead to a superficial assessment that the staff is international and diverse, the Bank is far from international. Nor is it inter-disciplinary. Stern (1997: 588) makes note of the 'rather undifferentiated intellectual perspective found in the World Bank'. Bank staff are overwhelmingly PhD economists. Boundaries of disciplines in and of themselves set intellectual boundaries, defining acceptable questions and methods. DEC houses fewer than a handful of non-economist social scientists.

Given the preponderance of economists, it should come as little surprise that there is a strong bias toward quantitative over qualitative methods. As Alice Sindzingre points out, 'proof based on econometrics and cross-country regressions is the fast track towards validation' (Boas and McNeil, 2004: 166). (It is, however, important to note that the research of both Dollar and Milanovic is heavily quantitative. Indeed, as a Bank source close to Milanovic emphasizes, Milanovic himself is 'totally in favor of quantitative stuff' [Interview, 2005 September 26]. It is *not* this quantitative over qualitative bias that separates the two men's work or that therefore explains the difference in treatment of these two sets of research and writing.)

Further concentrating thought, the United States and the United Kingdom (and primarily the former) university economics departments supply most of the PhD economists doing research and writing within DEC (and within the Bank in general) (Interview, 2005 June 8; Stern, 1997: 586–9; Wade, 1996: 217).[18] By Stern's (587) calculations of graduate schools attended by research department staff as of 1991, over 60 percent were 'American schools' and 16 percent 'British institutions'. Stern makes the logical leap (587): '. . . [T]hese numbers should raise the question of whether the professional search staff may not be excessively homogeneous and be looking at the world in one particular way'.

So too are the Bank's generous pay scale and benefits part of this incentive structure. This is what a former Bank economist terms 'the golden handcuffs' (Interview, 2004 February 23). While the Bank claims these are necessary to attract the best and the brightest, what they actually do is limit dissent by increasing the 'opportunity cost' of any dissidence.

Dollar—with an undergraduate degree from Dartmouth and PhD in economics from New York University—fits the profile of the Bank professional. Milanovic, on the other hand, with a doctorate in economics from Belgrade University in Yugoslavia, is one of a small percentage of economists with degrees from outside of the United States and Western Europe. In Stern's 1991 sample, only 6 percent were from Africa, Latin America, and Asia, with zero from Japan; 5 percent were an undefined 'other' (Stern, 1997: 587, table 12-6).

Milanovic had come to the operations side of the Bank in the early 1990s known for his work on inequality, especially in so-called transition economies of Eastern Europe. He then was moved to DEC to be part of a small unit on 'transitional economies' which was later merged with a 'poverty' unit (Interview, 2004 February 24). Dollar too began in operations and then was hired by DECRG Director Squire.

According to Wade, Dollar's work is high profile enough to set in place a new standard or 'metric' of assessment—the 'Dollarization' of the hiring and promotion process, whereby the Bank's human resources department requests the 'applicant or promotee' to compare him/herself to Dollar. In terms of current hiring then, 'resonance' has, it appears, been translated into an ever narrower measurement: resonance with Dollar's views (Wade, 2004: note 27; and personal communication).

By no means am I arguing that DEC focuses only on neoliberal research results. Other social scientists and other Bank research topics—such as conflict or social capital—have received some outside attention. However, as one DEC insider puts it, such work is on the 'fringe', and all the more so if the researcher is not an economist (Interview, 2005 June 6a; see Bretton Woods Project, 2004). Academic Ben Fine, in his deconstruction of the Bank's social capital discourse and policy, reaches a related conclusion: '... in part through social capital, economists are gaining a leverage over the subject matter of other disciplines whilst their own economic principles remain unchallenged' (2001: 155).[19] The concept of social capital is a bridgehead by which economists can cantilever their methodology into new territory.

2. Promotion

Once hired, how does a DEC researcher advance within the Bank?

Several interviewees did emphasize the looseness within the office in terms of 'no one check[ing] the regular work that you are doing' (Interview, 2004 February 24). This could give the illusion that there is enormous freedom about topics and orientation of research. However, there are a number of ways in which promotion incentives help shape the work toward 'paradigm maintenance'.

The overarching goal of any researcher who wants to make a career of the Bank is to achieve, after five years, 'regularization', the Bank equivalent of academic tenure. Along the way, there are annual reviews. It is important to note, as do Gilbert, Powell, and Vines (81), that '... most Bank employees are on short-term contracts. There is substantial anecdotal evidence that this is distorting incentives away from creative thinking and towards career-path management'.

DEC professionals need to publish, ideally in both internal Bank publications and externally especially in academic journals. 'Ultimately what counts', says a DEC economist, 'is how many external papers you have published' (Interview, 2004 February 24). Annual reviews are based in good part on the number of publications in the prior year (Interview, 2004 July 13).

Reviews also look at a DEC researcher's influence on Bank operations and policy (Interview, 2004 July 13). Recall that to prove his/her usefulness, a DEC researcher must become 'marketable' to operations. In the words of former DEC Research Group Director Squire (2000: 116): 'The impact of research both on Bank operations and on the developing world depends critically on the efforts made by researchers themselves to "sell" their ideas. Publication in scientific journals is not enough ... Researchers inside the Bank are expected to incorporate the results of their research in the Bank's operational activities and policy dialogue'. In devising a work program, the researcher is aware that he/she will 'need marketability for 1/3 time' when she/he is a *de facto* 'free agent' (Interview, 2005 June 6a): 'You have to generate demand for [yourself] by Operations. You [need them to ask you] to go on missions or to have papers commissioned by Operations' (Interview, 2004 February 24).

In terms of the characteristics of a 'marketable' DEC researcher, as one Senior Economist in DEC explains, Operations looks for high-profile folks with 'resonance'. To paraphrase, if you are in operations and you are looking to buy the time of a researcher, you look to add someone who is likely to improve the chances of your project getting through. 'You want a Dollar', one interviewee states bluntly without provocation. Conversely, asks one non-neoliberal-economist researcher rhetorically: why would Operations want me? (Interview, 2005 June 6a).

While individual DEC researchers, in theory, have latitude in defining what topics to pursue, that 'freedom' is limited not only by 'cross-time' considerations but also if she/he wants additional funding. Such additional funding—not for his/her salary which is provided for by 'Bank budget', but to hire consultants, hold seminars and conferences, put databases online, travel, etc.—is another criteria for how a professional makes his/her mark. Being successful in the competitions for research money brings 'prestige' and also 'leverage to get more money' (Interview, 2005 June 5).

There are two sources for such additional funding: A first comes from the Research Committee, an 'advisory board of sorts' that is not a 'formal administrative unit within the Bank' but relies for management on DEC's Research Support division, as of this writing headed by Jean-Jacques Dethier (Email, 2005 June 29). In addition, a growing source of funding comes from donor-country contributions to so-called 'Trust Funds',[20] which have increased to about $8 million in FY02.

To get into the Research Committee competition, a proposal first 'must be sponsored by a Bank department'.[21] Then, Research Support proposals are 'reviewed exclusively by economists', both senior economists in DEC and senior academic economists (Interview, 2005 June 6). This, according to more than one source, makes it difficult for the non-resonating economist or non-economist to get money (Interviews, 2005 June 6; 2004 February 19; 2004 February 23). Not surprisingly, sources claim that Milanovic did not receive extra research funding for his 'Two Faces' work but that Dollar has received such funding (Interview, 2005 July 9).

In addition, the DEC professional on the rise needs to get his/her research and name known. When Dollar circulated his research proposal inside the Bank, at least one Bank long-time economist voiced concern to Dollar. In addition to serious methodological critiques (see 'Discouraging Dissonant Discourse' section, later), this person was concerned about Dollar's 'intent'. From the start, says this source, the 'intent' was clearly 'to aggrandize the Bank's role in development and to aggrandize Dollar's own reputation with the Bank' (Interview, 2004 February 15).

Dollar's research seems to have done both. Dollar became Research Manager of DEC's 'macroeconomics and growth' unit,[22] which one DEC economist claims is DEC's 'most important unit' (Interview, 2005 June 9). The 2001 Bank phone book lists Dollar concurrently as this and senior advisor to DEC's Director of Development Policy. By 2003, Dollar *was* the Director of Development Policy within DEC (in effect, an advisor to the vice president); by 2005 he had moved to Beijing for what Dollar considers a coveted job as the Bank's Country Director for China and Mongolia.[23] 'Vice-Presidency in the future', one insider assures me (Interview, 2005 June 8).

On the other hand, Milanovic was not stopped from doing his research on the two faces of globalization. But it also does not appear that Milanovic was rewarded or given extra funding for a larger project or for an extensive online database. And, even after a two-year leave at the Carnegie Endowment for International Peace and a Princeton University Press book, he remains non-management.

In sum, given this incentive structure, those who are promoted fastest and highest invariably buy into and feed the prevailing paradigm.

3. Selective enforcement of rules

DEC's paradigmatic bias is also reflected in the process of reviewing ongoing research for publication. The Bank likes to claim that there is uniform, objective, external review (e.g. Dethier, 2005a), but that is not the perception of individual researchers themselves. While there may be written rules with specific requirements (which this author has yet to see, despite repeated attempts), evidence suggests and interviews confirm that reviews of proposed research, manuscripts, and individuals are done 'selectively' (Interview, 2004 February 23).

Most of those interviewed for this article offered that research critical of the neoliberal model or opening the door to alternatives (i.e. without that necessary 'resonance') is likely to undergo stricter external review and/or be rejected. The review process, says a former Bank professional, 'depends on what the paper is [about] and who the author is. If you are a respected neoclassical economist, then [approval] only needs one sign-off, that of your boss. If it's critical, then you go through endless reviews, until the author gives up . . . ' (Interview, 2004 February 19; also interview, 2004 February 23).

Interviewees suggest that once a DEC researcher submits a paper to his/her Research Manager, one of five things can happen:

1. the paper is accepted;
2. the paper is rejected with reason;

3. there is no response;
4. the paper is sent for outside review; or
5. the researcher chooses to publish it without asking permission.

Research by DEC staff that has paradigmatic resonance is usually accepted for publication. Squire sums up the typical first route: 'Many articles written by World Bank researchers first appear as informal working papers circulated for comment before revisions and final publication. About two-thirds of the Bank's Policy Research Working Papers are then submitted for formal publication. One-half of those, or about a third of all working papers, go on to be published in professional journals' (Squire, 2000: 23–4).

The circumstances under which the second option, rejection, are used are informative. A piece by eminent ecological economist Herman Daly—whose views and methodology were well known when he was hired—was rejected because it was labeled 'not sound economics' (Interview, 2004 February 23). One would have presumed that Daly, already a senior economics professor, was hired to expand World Bank expertise and analysis beyond a more narrow neoliberal economics, but this episode suggests otherwise. For another Bank economist, the rejection came with an assessment that 'your piece is not helping the debate'—in other words, it was not bolstering the Bank's side of the debate (Interview, 2004 February 24). Another interviewee received a rejection with almost exactly the same phrase. And, another was instructed to revise his draft report that had raised doubts about the positive economic impact of Bank structural adjustment loans. The economist did as instructed—leading to an assessment by his superior that the economist had 'initial problems conceptualizing but seems to be able to revise well' (Interview, 2004 February 15). (And if the economist in question had not revised as instructed? He 'would have been fired' is the hypothesis of the former Bank economist.)

Many Research Managers prefer the third option, the less direct path of 'stonewalling' (Interview, 2004 February 23); they simply do not respond. DEC economists (2004 February 24; 2005 June 9) provide a composite picture of how such a response can get drawn out over several months:

- Your Research Manager says 'I don't want to deal with this' ... Either he 'won't clear it or he will say that you need to send it to the "center" '. Or, if it is a newspaper op-ed, he 'passes it onto the External Affairs person in DEC ... '
- After a long time, there is no response. So, you call him.
- And, he says, the piece is 'not helpful to the debate' or 'the debate has moved on'.
- And, you say: 'But doesn't the fact that they want to print it show that there's someone still interested in the debate?'
- And he never says 'no' but never clears it.

- At this point, you don't call again because you don't want an official rejection.

Milanovic seems to have understood well that at least some of his writing linking globalization and inequality did not have resonance within the Bank. While Milanovic continued to write and revise his 'two faces of globalization' paper, it never became an official Bank 'Working Paper'. Various sources suggest inter-related reasons for this. According to one, Milanovic was savvy enough not to ask his superiors, knowing that he would not get permission to publish (Interview, 2004 February 24). According to others, given that Milanovic had already authored some critical assessments of economic globalization, 'quite a bit' of Milanovic's work went through the fourth option: it was sent by his superiors for external anonymous review, rather than merely receiving the 'okay' of his unit's research manager to proceed to Working Paper stage (Interview, 2004 February 15). Indeed, a proposed op-ed of Milanovic's that did go through official Bank review was not okayed for release; the op-ed was never published.

Still, Milanovic appears to have proceeded with his more substantial research and writing on that project. Milanovic's 'two faces' work was eventually published in the highly-ranked refereed journal *World Development* (2003). I would also surmise that publication in the respected, interdisciplinary *World Development* gave him some protection, although how much is questionable given his frontal attack on economic globalization and the fact that, while highly ranked, *World Development* is not an economics journal. ('A-minus', explains a professional staff member in DEC [Interview, 2005 June 6].) Milanovic presumably gained more credibility or an enhanced reputation from the fact that other of his studies on poverty and income distribution (i.e. not focused squarely on globalization) were published in Bank publications as well as in journals such as *Journal of Development Economics* and *The Economic Journal*.

A few brave Bank staffers have sought the fifth option: publish without asking permission. Robert Wade emailed the author a revealing anecdote in this regard: 'I wrote an op-ed for [the *Financial Times*] in June 2000 ... IN DEFENSE of the Bank ... '. Someone at the Bank filed an official complaint because Wade, then a consultant at the Bank, did not get permission for that op-ed. The Bank's Office of Business Ethics judged Wade to have committed a 'serious offence'. Continues Wade (Email, 2004 July 2):

> When I spoke [to the acting Vice-President for Human Resources who made that judgment] about 6 months after the judgment, I was astonished to learn that she thought my article was CRITICAL of the Bank. I ... showed it to her. She ... could scarcely conceal her surprise. My guess is that her judgment of 'serious offence' [was] much affected by my corridor reputation as CRITIC of the Bank.

In sum, there is substantial evidence that Bank review is biased toward what it already believes paradigmatically, encouraging what former Bank economist Robert Myers (2001; see also 2000) termed 'Yes Men' in an email that was widely distributed inside the Bank in the mid-1990s.

4. Discouraging dissonant discourse

In 1996, Bank president James Wolfensohn launched an initiative to magnify the research and dissemination role of the World Bank by transforming the institution from what was called a 'lending bank' into a 'Knowledge Bank'.[24] The implication was that the World Bank was a place where all views, all ideas, all empirical data on development would be available to the world; in the words of the Bretton Woods Project, the Bank's goal was to become *the* 'guardian and disseminator of the world's development knowledge' (Bretton Woods Project, 2004: 1). The phrase 'Knowledge Bank' appears carefully chosen to imply openness and lack of bias—overall quality. DEC insiders Squire and Dethier reinforce this view, as do some academics including University of London's Alice Sindzingre: 'Many of the [Bank] papers and reports contain conclusions full of nuances on strategic and ideological issues' (in Boas and McNeil, 2004: 168).

However, this author's review of Bank literature and the views of those interviewed (along with Stern, 1997, and a late 1990s external review of DEC's Research Support projects, www.worldbank.org/html/rad/ evaluation97/home/htm) suggest a number of ways in which dissonant discourse, while allowed at the 'fringe' of the research department, is discouraged. Dissent is allowed on more marginal issues, but seldom on the core tenets of the neoliberal model. Fine's inquiry into social-capital discourse at the Bank is relevant here, as it 'revealed how influential the World Bank has been in incorporating previously dissident voices and ideas' (2001: 20).

How does this discouragement of dissent occur?

Discourse is part of the answer. On numerous occasions when the present author asked Bank staff about someone whose work has raised dissent, the response was invariably that that person was 'idiosyncratic' or 'iconoclastic' or 'disaffected'. In other words, people who do not project the Bank's paradigm are diminished or ostracized or deemed a 'misfit'. Ellerman (2005: xix) has described the Bank as 'an organization where open debate is not a big part of the culture'. Elsewhere, Ellerman writes of pressures for 'bureaucratic conformity' from the 'thought police to the black sheep in the organization who are not "on message" ' (in Wilks, 2004: 2–3). Stern put it this way: '. . . there is the strong hierarchy and an atmosphere much more deferential than would be found in universities' (Stern, 1997: 594).

This lack of openness to dissent is all the more troubling in the context of the rapidly evolving post-Seattle and post-Asian-crisis debate on development. Since the late 1990s, with the rise of a 'global backlash' against the neoliberal model, there has been -outside the Bank—a vibrant theoretical and policy debate about neoliberal economic globalization as evidence grows of its negative impacts on economic, environmental, and social development. During this period, Bank projects and policy-based lending have come under heavy attack for contributing to these negative impacts. Yet, the Bank has been able to continue to operate relatively unchecked in its research work.

Take Dollar's work. There has been widespread external criticism of Dollar's methodology by Harvard economist Dani Rodrik (2001), economist Mark Weisbrot (2002), LSE's Robert Wade (2004), Cornell professor (and former Bank professional) Ravi Kanbur (2001a,b), and others (including the present author). Rodrik (2001: 22; see also 2002), for example, reaches a conclusion opposite of Dollar's: 'The evidence from the 1990s indicated a positive (but statistically insignificant) relationship between tariffs and economic growth'.

There are numerous methodological problems with Dollar's work, not the least of which is his use of China and India, which have arguably *not* followed the Bank's neoliberal structural adjustment via Washington Consensus tenets, as examples of globalizers. Given their size, *where* one places China and India in terms of Dollar's two categories of 'globalizer' or 'non-globalizer' essentially determines the results. Another methodological problem is embedded in the categories themselves: Dollar and Kraay (2001: 8–9) define 'globalizers' in terms of (1) reduced average tariff rates between the last half of the 1980s and the last half of the 1990s, and (2) increased trade as a percent of GDP between the last half of the 1970s and the last half of the 1990s. But such increases or reductions define efforts at certain periods of time—not whether a country has overall open or closed trade. What if a country already had low tariff rates pre-1980s or, alternatively, trade as a percent of GNP remained low in absolute terms but increased significantly in percentage terms? In other words, what Dollar measures does not mesh with the conclusions he draws.

While the technical details are important in assessing the quality of DEC high-profile research, the key point is that, overall, Dollar's work—and the fact that it is high-profile within the Bank even with such methodological problems—suggests a certain 'presumption' about what the right answers should be and a willingness to ignore or discard evidence that complicates this answer. As Wade phrases it: 'the inherent characteristics of neoliberal ideas ... create the presumption that they are right and inconsistent evidence wrong or irrelevant; which give the ideas the power to trump more contingent, "it depends", prescription' (Email, 2004 July 2). Ignoring the complications or caveats allows for the presentation of subjective and conditional conclusions as objective and scientific discourse.

In mainstream media circles, the power and authority of the Bank's voice is such that the critics of Dollar and Kraay have been largely ignored;

high-profile Bank conclusions are often cited without noting the critics or the 'it depends' nature of the conclusions. A typical *Washington Post* op-ed (Mallaby, 2005; see also 2004) offered Dollar's findings minus any caveats: 'One World Bank study showed that "globalizing" poor countries ... recorded gains in income of 5 percent per year in the 1990s ... By contrast, non-globalizing poor countries had no income gains whatsoever. *It's hard to argue against that sort of evidence*' (emphasis added).

On the other hand, when research and writing are done in DEC that goes against the prevailing paradigm or undercuts the Bank's current lending, it is very unlikely to become high-profile. Most 'low-profile' researchers typically 'keep their heads down' and just 'do their research' (Interview, 2004 February 15). Milanovic is unusual as a 'low-profile' researcher in that he is vocal in dissent. His 'Two Faces' not only disagrees with World Bank dogma, it does so directly. Recall that Milanovic refers to 'naïve (or self-interested?) globalization cheerleaders' (2002: 668); in addition, he includes critiques of Dollar's work while chastising those who have 'replace[d] empiricism with ideology' (674–6, 679). Yet, such public disagreement, especially directed at a star, is rare; Milanovic remains an 'outlier' in the Bank. This is stressed by another World Bank insider: '... Branko was tough enough to ignore or go around ... attempts to control him, but I think the bulk of the younger and less self-confident researchers "got the message"—what I would call the "Dollarization" of the Research Department's agenda' (Email interview, 2004 February 28).

'The point', explains a DEC economist, 'is that one type of research is encouraged, people know what type it is and produce it, while another type is given a short-shrift. But ideally in the world of research—given that certain methodological requirements are respected—all results should be given an equal chance to persuade their audience. You do not want *a priori* to decide that only research that generates a result X is okay. And that's what the Bank often does' (2005 June 7).

Or, if dissenters insist on public dissent, they can be fired or stifled until they resign. Thanks to Wade's fascinating accounts (1996, 2001, 2002), we know many of the details of the most high-profile case-studies of stifled dissent and discourse due to internal and external processes of censorship, pressure, and power—for instance, of how the World Bank came to its market-friendly conclusions when the Japanese tried to get the Bank to look at the East Asian experience.

As for the high-profile individuals no longer at the Bank—Joseph Stiglitz, Ravi Kanbur, and William Easterly: Each of these *de facto* dismissals has different circumstances, but each involves very public disagreement with central Bank tenets. Chief Economist Stiglitz gave speeches around the world critical of the neoliberal paradigm and lost his job (Wade, 2002). Kanbur, appointed to lead the team working on the *World Development Report 2000/01*, resigned over 'what he saw as unreasonable pressure to tone down . . . sections on globalisation' (APIC, 2000; see also Wade, 2001). Easterly faced disciplinary action after he did not get clearance for a *Financial Times* article based on a book he wrote while at the Bank, 'alleging that aid financing, including US$1 trillion in World Bank and IMF loans, have failed to achieve their target of poverty alleviation' (Bretton Woods Project, 2001c; see also Easterly, 2001, 2002). By contrast, it has been hard to come up with a case of someone criticized or fired for 'unauthorized' public expressions of views deemed to have neoliberal resonance.

Stiglitz's 'departure' also points out that there is another implicit—and, at times, explicit—pressure on Bank researchers that reinforces DEC's discouragement of research that is at odds with the neoliberal model: namely that the Treasury Department of the Bank's largest shareholder (the US) also embraces neoliberalism. According to Alice Sindzingre, 'The US Treasury insisted on the resignation of Joseph Stiglitz, following his open disagreement with it on how to deal with the Asian crisis and other issues' (Boas and McNeil, 2004: 172). Wade too emphasizes the role of the US Treasury and 'US Hegemony', concluding that the Bank is unlikely to 'run against the strategic and diplomatic power of the US' (1996: 15).[25]

5. Manipulation of data

Much of what this article has discussed thus far are institutional biases, often reflected in the incentive structure. As the last section has suggested, there is a bias in the Bank toward research that reinforces the dominant paradigm rather than a deliberate manipulation of data. But, what does the Bank do if data/research does not support a neoliberal hypothesis?

There is evidence that the Bank crafts, and even manipulates, the executive summaries and press releases of reports so that they reinforce the neoliberal paradigm. A case in point of an executive summary that is so well crafted that it no longer meshes with the text of the report is a 350-plus-page Bank document on 'Lessons from NAFTA for Latin American and Caribbean Countries' (2003b). The summary (viii) states that 'real wages [in Mexico] have recovered rapidly from the 1995 collapse . . . ' However, the text itself does not support this conclusion, as researcher Sarah Anderson noticed as she read the text carefully: 'Table 1 of the summary shows that real wages in both local currency and in dollars have dropped since 1994 . . . Figure 4 in the main body of the report shows that real Mexican wages relative to those in the US are also below their 1994 levels'.[26]

Anderson wrote report co-author Daniel Lederman to ask how the table's drop in real wages in the 1994–2001 period could have been summarized as a return to a level 'roughly equal' to 1994. Lederman responded that the wage trends were complicated and therefore the summary was meant to 'be vague'. As Anderson replied: '. . . to say that wages have returned to their 1994 levels when they have not is not merely "vague" but is inaccurate'. Yet, Anderson seems to have been one of the few to read the report carefully enough to note this key discrepancy or 'falsehood' (as she more accurately phrases it). Indeed, the *Washington Post* ran a long, lead editorial on the success of NAFTA, based in part on the World Bank report. Incredibly enough, the *Post* editorial chastised NAFTA critics who say that wage growth has 'been negligible' and instead noted that 'wage levels that match those existing before the peso crisis represent an achievement' ('NAFTA at 10', 2004). In other words, the Bank seems to understand and play to the fact that most people, including most journalists, will read only the press release and summary (and, in this case, a table would be ignored). In this case, they fooled a major newspaper whose editorials are read and used by key policy-makers; that the report contained dissonant, contradictory data seems not to have been even noticed.

6. External projection

Through analyses of DEC activities alone, we can begin to understand how the Bank produces 'knowledge'. But to understand better how the Bank distributes and markets knowledge, the department of External Affairs needs to be examined, both to chronicle its meteoric rise over the last decade and to glean a more systematic analysis of the production and distribution of DEC's 'knowledge'.

According to the Bank's own description (2003a: 26), External Affairs 'manages communications on major Bank-related issues; handles relations with the public, the media, other organizations, governments of donor countries, and the local community; arranges speaking engagements for Bank representatives; produces and disseminates publications; ... and maintains the Bank's external Web site ... '.

More importantly, however, External Affairs functions as a projector of DEC's paradigm-maintenance role. Dollar, for instance, did not have the backing only of DEC. The Bank's External Affairs department stepped in to publicize his work; it is External Affairs that has the 'money, media contacts, and incredible clout' (Interview, 2004 February 24) to fly an author around the world. Milanovic's critique of globalization, on the other hand, was neither prominently displayed on the Bank's website nor did DEC or External Affairs push to circulate or publicize it.

External Affairs' rise in stature and import dates from the early Wolfensohn years under the leadership of Mark Malloch Brown (1994–1999). (Malloch Brown was later rewarded, becoming Administrator of UNDP and, in 2005, Chief of Staff to UN Secretary General Kofi Annan.) In Wolfensohn's second term, External Affairs' budget soared. According to internal Bank documents, 'program cost' has jumped from the \$20-million range at the start of this century to \$33–\$34 million in 2004 and 2005.[27] Using the comparison noted vis-à-vis the DEC budget, this is comparable to the full annual budget of the Heritage Foundation. External Affairs has grown, the present author would hypothesize, at least in part in response to the increasing external questioning of the Bank and its model. External Affairs has become vital in the polarized public debate over the Bank's role.

To give a sense of External Affairs' projection abilities, let us take another instance (not Dollar's) of DEC research relating to trade liberalization and growth. In this instance, about 15 World Bank people were flown to present the research at five 'large meetings' with reporters around the world (held in Sao Paolo, Johannesburg, Delhi, London, and Tokyo). In other words, explains my interviewee, 'External Affairs guaranteed five large audiences with reporters' for a DEC economist whose work had the neoliberal 'resonance' needed to catalyze action by DEC and External Affairs (Interview, 2004 July 13).[28]

This could be termed the DEC-External Affairs' 'global reach'. And, the reach can loop back to projection within the Bank. Let us return to the same case: External Affairs not only set up the meetings with reporters across the globe, it also reproduced the media reports from these meetings in the Bank's daily review of the press. 'And that', stresses a DEC economist, 'is how people within the World Bank learn who is successful within the World Bank. Its "reflective grandeur" makes the careers of [certain] DEC people' (Interview, 2004 July 13). But, caution DEC economists, you need the 'resonance' in order for External Affairs to take your work in the first place, and then soon your colleagues at the Bank 'are reading'—in the Bank's daily digest of news—'the *Economist* reporting on a study of David Dollar's' (Interviews, 2005 June 7 and 9).

In sum, External Affairs has grown in a 'symbiotic' (Interview, 2004 February 15) fashion with DEC to reinforce the rewards for promoting the paradigm. If your research 'resonates', then External Affairs helps you become known globally, known within the Bank, more in demand for 1/3 operations time, and more likely to get additional research funding which, in turn, increases your profile (Interview, 2005 June 9).

CONCLUDING REMARKS

This article has explored the transformation of the World Bank and its principal research unit into a key defender, maintainer, and promoter of the neoliberal paradigm. It has examined the growth within the Bank of what is now the largest development research body in the world, and how that body produces research that is biased toward the paradigm. It details six mechanisms and processes by which research that has 'resonance' with the paradigm is elevated and dissonant research is discouraged.

This work raises significant questions about the World Bank's own argument that it produces and disseminates work of the utmost quality and integrity—and that this role should be further concentrated and aggrandized through expanding Wolfensohn's initiative to transform the World Bank into a Knowledge Bank for development in theory and practice. At a rare moment of leadership transition at the World Bank (Paul Wolfowitz became president on June 1, 2005), this is an opportune moment to question 'paradigm maintenance' and to rethink fundamentally research—and knowledge production and dissemination—at the World Bank.

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NOTES

1 Let me quickly add that I include myself—and my Bank-related research and writing dating back to 1977—in this observation.
2 This term is taken—with gratitude—from Robert Wade's insightful 1996 article: 'Japan, the World Bank, and the Art of Paradigm Maintenance: *The East Asian Miracle* in Political Perspective'.
3 See Fox (2003) for a discussion of processes versus mechanisms of accountability. See also Clark, Fox, and Treakle (2003).
4 My agreement with Bank employees interviewed is that I would give them the option of being cited by name or as anonymous. Given that most selected the latter, I have chosen to cite them all anonymously.
5 These interviews were the basis for Broad (1988) and Broad in Bello (1982).
6 It is worth commenting that I found a surprising willingness of current Bank staff to be interviewed without official approval. This willingness to talk to an outside researcher came even, I am told, as External Affairs Vice-President Goldin tightened the rules about talking to outsiders (Interview, 2004 July 13).
7 For the most part, these are descriptions of Bank research geared to arguing the importance of Bank research. Stern, co-authoring an article before he became Chief Economist, presents a surprisingly candid assessment of the Bank as an 'intellectual actor'. Stern's co-author was Francisco Ferreira, co-head of the team working on the 2006 World Development Report.
8 Prebisch's seminal *Economic Development of Latin America and Its Principal Problems* was published by UN Department of Economic Affairs in 1950 and the UN-ECLA was set up in 1948.
9 For more detailed history of Bank thinking on development prior to McNamara, see Mason and Asher (1973), Chapter 14.
10 The rise and the shift of paradigms—i.e. how prevailing paradigms are created, hardened, challenged, and transformed—is a topic for another article. See Blyth and Spruyt (2003); Helleiner (2003); and Ruggie (1982). For insights into external forces that affect the Bank with regard to paradigm creation and maintenance, see Ellerman (2005); George and Sabelli (1994); Goldman (2005, especially Chapter 4); Wade (2002); Ngaire Woods (Chapter 5 in Gilbert and Vines, 2000); and Broad (2004). Foucault (1997) provides a crucial, broader

discussion of the relationship between power and knowledge; see also Shaw (2004).

11 'Neoliberalism... is an ideology that resurrects the key principles of nineteenth-century classical economic liberalism; that is, a belief in free trade and limited role for the state in the domestic economy' (Helleiner, 2003: 686). See also Ruggie (1982). For how the Bank got into structural adjustment lending, see Broad (1988) and Stern (1997).

12 In fact, by the time it was signed, it was the Bank's second SAL. But it was the first in terms of when the negotiations began.

13 The official IMF history uses this term to describe itself in the 1960s (quoted in Broad, 1988: 30). For the Bank, the term seems more applicable to the post-1982 period. See Kapur, Leuris, and Webb (1997); and Rich (1994).

14 'The vice presidential unit is the main organization unit of the World Bank Group ... With few exceptions that report directly to the president, each of these units reports to a managing director' (World Bank, 2003a: 23).

15 The categories themselves provide fodder for analysis which I will forego here due to space limitations.

16 Data is from: the 'Development Economics' line item in tables 3.6: 'Program Cost Summary FY01–05' of World Bank (2004), *The World Bank's Programs and Budgets: Trends and Recommendations for FY05*, 27 May: 32; the same line item from table 3.8: 'Program Cost Summary FY00–04', in World Bank (2003), *World Bank Programs and Budgets for FY04*: 37; the same line item from table 3.9 'Program Cost Summary FY00–03': 35; and again from table 3.12 'Program Cost Summary—FY97–02' in the Bank's 2001 report: 37. Note that the data before 2005 is actual while 2005 is listed as 'planned'. (Detailed, disaggregated World Bank budgets were, interestingly enough, not easily available online and the ones I was given, by and large, seem to be treated as confidential or 'official use only' by the Bank.) Bank Budget (BB) 'finances ... research from its net income, earned at least in part from charges related to the size of loans' (Squire, 2000: 129). In addition to Bank Budget money, some Trust Fund money goes to research (World Bank, 2003a: 44).

17 See Squire (126) for statistics from 2000 and Stern (590) for figures from the 1980s.

18 Note that Wade's analytical point is somewhat different as he focuses on supremacy of economists from the US versus even the UK.

19 The debate over social capital 'discourse and practice' is nicely captured in Babbington *et al.* who detail ' "a battlefield of knowledge" whose form and outcomes are structured but not determined by the political economy of the Bank' (2004: 33). In the end, however, the article leaves the impression that Fine (2001: 172) was correct in his analysis of how the social capital contest would play itself out at the Bank: 'with co-optation rather than criticism the most likely result'. See also Harris (2002).

20 'Trust funds are financial arrangements between a Bank Group institution and a donor under which the donor entrusts the Bank Group with funds for a specific development-related activity' (World Bank, 2003a: 44).

21 World Bank Policy Research Bulletin (Nov–Dec 1990), Vol. 1, No. 2, accessed at www.worldbank.org/html/dec/Publications/Bulletins./PRBvol

22 The unit's name was changed to 'trade' by 2003.

23 Details of the Beijing job are from the author's conversation with David Dollar, at an event sponsored by the Center for Economic Policy Research, at the

Carnegie Endowment for International Peace, Washington, DC, 11 February 2004.

24 For more on this, see Wolfensohn (1996) and the work of Stone (2000, 2003); King (2002); Ellerman (2002, 2005); Gilbert and Vines; Standing; and the Bretton Woods Project publications (including authors Wilks and Powell).

25 Stiglitz's former speechwriter, David Ellerman (2005: xvi), shares a fascinating front-row perspective on the Stiglitz years at the Bank and his departure: '... Wolfensohn wanted an economist of Stiglitz's stature at his side ... Joe took on one shibboleth after another in speeches given around the world ... The most barbed attacks were directed against the IMF and the US Treasury, where the chief antagonists were, respectively, Stanley Fischer and Larry Summers, both former chief economists of the Bank. None of this was what Wolfensohn bargained for. Instead of being at Wolfensohn's side in the perpetual "management meetings" in the Bank, Joe seemed to be always on the road. He had little real interest in the "inside game" in the Bank, and he clearly relished the bully pulpit side of the chief economist's job as well as talking directly to the leaders in the developing countries. But all this created considerable consternation in the Fund, in the Treasury, and even in the Bank itself'.

The result was Stiglitz's resignation even before his term expired: 'There were unconfirmed rumors that Stiglitz's nonrenewal "was the price demanded by the US Treasury for its support for an extra term for Mr. Wolfensohn as President of the World Bank" ' (Ellerman: xvii, quoting Chang 2001: 3; see Wade, 2002). For another view of Stiglitz and fascinating details of his interactions in South Africa, see Bond (2000, 2005).

26 Moreover, table 1 is not even accurately labeled in the report (Anderson, 2003a letter). This letter follows an exchange that Anderson had with report co-author Daniel Lederman (Anderson and Lederman exchange, 2003 18–19 December). See Bakvis (2003).

27 See the 'External Affairs' line item in table 3.6, 'Program Cost Summary FY01–05 in World Bank, (2004) *World Bank Programs and Budgets: Trends and Recommendations for FY05*, May 27: 32. Note that the data before 2005 is actual while 2005 is listed as 'planned'.

28 Wade (2002: 214, 219) includes an account of External Affairs' attempt to shape coverage of the resignation of Ravi Kanbur.

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