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Corruption in the Eyes of the World Bank: Implications for the Institution’s Policies and Developing Countries

Carolina Pancotto Bohrer Munhoz*

I. Introduction

For many years, the phenomenon of corruption has sparked the interest of not only national governments and academia, but also international society. In accordance with the United Nations Crime Prevention and Criminal Justice Division, this interest can be explained by a combination of three factors: the large number of occurrences of corrupt practices, the increase in detection of corrupt practices, and the decrease in tolerating them.¹

The central concern in the study of corruption is to identify its sources and consequences in order to be able to combat it. Outstanding, among other causes, is the existence of weak institutions, impunity, an excess of regulation and taxes, and a lack of control and transparency in public administration.² In other words, fighting corruption is linked not only to the removal of obstacles to economic growth, but also to the promotion of development in the broadest sense of the term, including also, the importance of institutions.³

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3. For greater discussion on the concept of development and institutions, see CAROLINA P. BOHRER MUNHOZ, A Evolução Histórica do Conceito de Desenvolvimento,
A result of the interest and the importance attributed to the topic of corruption was the elaboration or reforming of laws by many states aiming to combat the phenomenon, and of multilateral, universal, and regional treaties. In addition, corruption entered the agenda of international organizations, such as the United Nations ("UN"), Organization of American States ("OAS"), Organization for Economic Cooperation and Development ("OECD"), and the World Bank ("WB"). However, this interest does not translate into a consensus on a single definition of corruption, or the phenomena that comprises corruption.

In fact, there is no universally accepted concept to apply, such as measuring the level of corruption. Because of this, practices understood or interpreted as being corrupt by one jurisdiction might not be considered corrupt by a different jurisdiction. Also, elements such as culture, historical events and specific circumstances affect the perception people have about corruption. In other words, its significance can vary according to social, cultural and historical context.

Susan Rose-Ackerman emphasizes that corruption is, in the majority of hypotheses, a second best response to the weakness of a government, and a highly-distorted method of public choice. A state with endemic corruption could be greatly brutal to the poorest, who do not have resources to compete with those who are able to pay bribes. See Rose-Ackerman, supra note 2, at vii.


5. See, e.g., Interamerican Convention Against Corruption, available at http://www.oas.org/juridico/english/anticorr.html (last visited Jan. 1, 2008) (In 1996, the OAS member states adopted the Inter-American Convention Against Corruption. The Convention, which was the first international legal instrument to address this issue, specifically includes in its rationale the recognition of the international importance of corruption and the need for an instrument to promote and facilitate inter-country cooperation to combat it). OAS, Office of Legal Cooperation, the Inter-American Convention Against Corruption, Background, available at http://www.oas.org/juridico/english/corr_bg.htm (last visited Jan. 1, 2008).

6. See, e.g., Organization For Economic Cooperaton and Development, Fighting Corruption, available at http://www.oecd.org/topic/0,3373,en_2649_37447_1_1_1_1_37447,00.html (last visited Jan. 1, 2008) (Corruption has become an issue of major political and economic significance in recent years and the necessity to take measures against it has become evident. The OECD has assumed a leading role in preventing international bribery and corruption.).


8. LARISSA O. RAMINA, AÇÃO INTERNACIONAL CONTRA A CORRUPÇÃO 26 (Curitiba, Brasil, Juruá 2003).
In this context, the objective of this Article is to identify the notion of corruption adopted by the WB in an attempt to demonstrate in what way this notion affects the actions of the institution in its fight against corruption and in the promotion of its primary objectives. In order to reach this objective, the adopted concept of corruption is analyzed in different contexts, both national and international. Next, the Article discusses the concept of corruption adopted by the WB, and the implication of this for the actions of the institution. The Article then analyzes the relationship that the preponderant role of the fight against corruption as an instrument of promoting development has with the paradigm of development adopted by the WB today, known as the Comprehensive Development Framework. Some final considerations will be added to conclude the Article.

II. The Concept of Corruption

There are many ways to define corruption. The Brazilian Dictionary of Corruption, for example, states the following:

CORRUPTION: The term designated for the phenomenon in which a public servant is brought to act in a way outside of the normative patterns of the system, favoring private interests in exchange for compensation. Corrupt is, therefore, the illegal behavior of one who performs a role in the state structure.9

Ramina cites the following idea of corruption: “1. To become morally corrupt.... 2. Perversion or destruction of integrity in the performance of public servants by bribe or favor; the use or existence of corrupt practices in a state, state-owned company, etc.”10 Another definition cites corruption as “licentiousness, depravity, in their many modes; improbity in the treatment of public property, in an active or passive manner.”11 Or, still, “the use of public office for private gain.”12

Jesus reminds us that to the contrary of other legislation in Brazil, the terms “corruption” and “bribe” are attributed the same meaning.13 In some countries the term “corruption” is used to describe the act

10. The Oxford English Dictionary, in Ramina, supra note 8, at 27.
committed by a public servant. However, Brazil uses the word "corruption" in different contexts to differentiate a public from private act. Article 317 of the Brazilian Penal Code defines "corruption" as passive corruption, a premeditated crime. Article 33 uses the term "bribe" to describe active corruption, a premeditated act committed by a private person.\footnote{Brazilian Penal Code. It is necessary to emphasize that corruption is not necessarily synonymous with illegal activity. Reos, for example, notes that there are practices and activities that do not imply the violation of any legal provision, but which show a fault in ethical and collective behavior. The way in which behaviors have effects on the economy and society is part of what is generally called corruption. \textit{See} Orlando A. Reos, \textit{Efectos económicos de la corrupción} 2-3 (2003), available at http://www.iigov.org/eg/attachment.drt?art=103664 (last visited Jan. 3, 2008) (Criticizing the emphasis on the illegality of the act in order to identify a corrupt practice, Kaufmann suggests the following definition: "the privatization of public policy." In accordance with this more neutral definition, an act must not necessarily be illegal to be understood as corrupt in this broader sense of the word.). \textit{See} Daniel Kaufmann, \textit{Myths and Realities of Governance and Corruption} 82 (2005), available at http://www.worldbank.org/wbi/governance/pdf/2-1_GCR_Kaufmann.pdf (last visited Jan. 1, 2008).} Despite their differences, all of these definitions note a deviation from an office's tasks or public good, used to benefit individuals, and not just the collective. It is necessary to emphasize that corruption involves not only the public servant and public good, but can also exist in the private sector.

\textit{A. The Concept of Corruption in the International Arena}

In the international arena there are also various attempts at defining corruption. In the United Nations, the Crime Prevention and Criminal Justice Division recognizes that corruption is a complex phenomenon, but that it is conceptually accustomed to accept the notion that the central idea of corruption consists in some form as an abuse of power. The generic concept noted is that corruption is the "abuse of public office for personal gain, directly or indirectly."\footnote{See United Nations, \textit{supra} note 1.}

Beyond the UN Convention against Corruption, two other important international treaties recognize the theme: the Interamerican Convention against Corruption, negotiated within the OAS; and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. These conventions have the same goal of investing in the creation of preventive and punitive mechanisms of corrupt acts, emphasizing the importance of cooperation among states in this fight given the global character of the problem. However, neither treaty manages to achieve the necessary consensus to create a definition of corruption itself. They work with a practical approach, listing various
practices considered to be corrupt, instead of defining them.\textsuperscript{16}

The Multidisciplinary Group on Corruption of the Council of Europe established the following provisional definition to guide the group’s discussions on corruption:

"It is the bribery and any other behaviour in relation to persons entrusted with responsibilities in the public or private sector which violates their duties that follow from their status as public official, private employee, independent agent or other relationship of that kind and is aimed at obtaining undue advantages of any kind for themselves or for others."\textsuperscript{17}

The International Monetary Fund ("IMF"), for example, provides a broader definition of corruption, an "abuse of power or confidence for private benefit," which includes the idea that corruption can occur as much in the public sphere as in the private.\textsuperscript{18} This is an interesting evolution in the treatment of the theme because it broadens corrupt action to include the private sector. However, within the international sphere, there is not a single definition detailing of what corruption consists.

This allows for different approaches to the question in such a way that each institution or international treaty considers corruption and its consequences from distinct lenses. In this way, an institution like the IMF, which works with a broader notion of corruption, including both the private and public sectors in its definition of corruption, may act in a distinct way from an institution or treaty that holds a different, more restricted vision.

The objective of the following section is to identify exactly what corruption is in the eyes of the WB and what the implications of this vision are.

III. Corruption in the Eyes of the World Bank

The World Bank was created by forty-four countries on June 1, 1944, at the Conference of Bretton Woods following the Second World War. The objective was to reconstruct Europe, destroyed by the conflict, by trying to control the economic chaos that was threatening the developing world, while at the same time trying to alleviate human


\textsuperscript{17} See United Nations, supra note 1.

suffering by promoting actions focused on international development.  

The WB was controversial from the moment it began due to its own nature: it is simultaneously an organ of international cooperation for development, and before anything else, a bank. It is true that it is not an ordinary bank: besides not having account holders, it earns its capital from contributions by the founding states. This capital is then used to raise more funds through investing on Wall Street.  

The WB began its activities in 1946, with only 38 member-states. Over time its structure grew to be more complex bringing about what is today known as the WB Group, consisting of 184 Member-States and comprised of five organizations: i) the International Bank for Reconstruction and Development ("IBRD"); ii) the International Development Association ("IDA"), iii) the International Finance Corporation ("IFC"); iv) the Multilateral Investment Guarantee Agency ("MIGA"); and v) the International Centre for the Settlement of Investment Disputes ("ICSID").

All of these organizations work together to reach the objectives established in Bretton Woods. Within the WB structure, the IBRD and the IDA play different, but complementary roles in an effort to achieve the established objective of reducing poverty and improving quality of life in the world. The IBRD concentrates on developing countries of middle income and with credit, while the IDA concentrates on the poorest countries of the world, without access to international flows of private capital. IDA provides low interest loans; the IBRD provides no interest loans. Additionally, the IDA provides funding to developing countries enabling them to invest in education, health, infrastructure,

20. Id. at 20-21.
22. The International Centre for Settlement of Investment Disputes ("ICSID") was established under the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (the Convention) which came into force on October 14, 1966. . . . ICSID is an autonomous international organization. However, it has close links with the World Bank. All of ICSID's members are also members of the Bank." World Bank Group, About ICSID, International Centre for Settlement of Investment Disputes, http://www.worldbank.org/icsid/about/about.htm (last visited Sept. 10, 2007). Thus, to avoid confusion, it is necessary to emphasize that the reference to the World Bank (this was shortened in the text, but the text and footnotes are independent of each other) refers to the structure formed by the International Bank for Reconstruction and Development and the International Development Agency. When one wants to refer to the World Bank Group or the institutions that are a part of it, this will be done in the manner expressed. For an analysis and self-description of the functions of each of the institutions that compose the World Bank Group. See id.
communication and the like.\textsuperscript{23}

The WB functions as a cooperative in which its 184 Member States act as shareholders. These shareholders are represented by a Board of Governors, who effectively decides which policies are adopted by the institution.\textsuperscript{24} This council of directors is led by a president, traditionally from the United States, being the greatest shareholder nation. As of July 2007, the WB has been directed by Robert B. Zoellick, the eleventh president to assume the position.\textsuperscript{25} The mandate of presidency is for five years, renewable for the same period.\textsuperscript{26}

There are two basic types of loans offered by the WB. These are loans for investing in goods, services and works to support economic and social development projects, and adjustment loans to support political and institutional reforms. During the negotiation of loans, the WB and the country requesting a loan agree on the area of development which the project or program will focus, the expected results, the indicators of performance, and a plan to realize the program idea. Once the loan is approved, the country taking the loan puts the project into practice in accordance with the agreed terms.\textsuperscript{27}

Since its creation more than sixty years ago, the WB has experienced many transformations, influenced by factors such as the international economic environment. Economic changes create different needs for the client of the institution. Additionally, through the notion of development adopted in different periods of its history the institution has already passed through phases in which its mission was poverty reduction, supporting projects that involved anything from agriculture to health and education, then reaching the phase of structural adjustment, and today discussing the model of comprehensive development and the

\textsuperscript{23} World Bank, Working, supra note 21, at 6-7.

\textsuperscript{24} In accordance with the weighted voting principle applied in the Bretton Woods Institutions, voting shares were aligned with contributions to World Bank capital. See Aziz Ali Mohammed, Who pays for the World Bank?, Working Paper for the Intergovernmental Group of Twenty Four 5, at 3 (May 2004), available at http://www.g24.org (last visited Jan. 1, 2008). It is necessary to note that the structure of governance of the Bretton Woods Institutions is the basis for one of the principle critiques made about the World Bank and the International Monetary Fund. According to Buira, at the root of this crisis lies the unrepresentative nature of their structure of governance, which places control of the institutions in the hands of a small group of industrial and undeveloped countries. See Ariel Buira, The Bretton Woods Institutions: governance without legitimacy?, CSGR Working Paper No. 180/05 2 (2005), available at http://www.g24.org/govwtlg.pdf (last visited Jan. 1, 2008).


\textsuperscript{26} World Bank, Working, supra note 21, at 10.

\textsuperscript{27} Id. at 21.
role of institutions in the process of development.

A. Combating Corruption

One of the transformations that occurred during the WB’s existence was the inclusion of the theme of corruption on its agenda, even as early as the 1990s.28 This inclusion resulted from the observation that corrupt practices affect the economic performance of states, which would justify the inclusion of corruption criteria in the analysis for granting loans at the WB.29 Such an observation is fundamental as its establishing agreement states that it should only take into consideration questions of economics and of efficiency when making decisions. In other words, not only political questions can be considered. It is important to emphasize that there has been a tendency to include themes related to political and social factors on the agenda of the institution—such as governance, protection of human rights, and fighting corruption—but which generate relevant effects over economic decisions.30

It is necessary to add that, in accordance with the WB itself, the focus on governance and fighting corruption is based on the mission to reduce poverty, as a capable state creates opportunities for poor people, distributing better services and creating higher levels of development. And outside of its mandate to promote development to reduce poverty, the WB has another obligation set forth in its Establishing Agreement, to assure that its resources are used in accordance with established objectives. In other words, the provision means to prevent World Bank’s resources being used for other ends.31

Fighting corruption has been on the WB agenda consistently and the


30. See Roberto Dañino, The Legal Aspects of the World Bank’s Work on Human Rights, 41 THE INTERNATIONAL LAWYER 21, 22-23 (2007). It is necessary to note that there are questions regarding whether controlling corruption is a concern of the international community. Many consider corruption an internal problem and that foreign intervention would represent an attempt to impose occidental values. Others, still recognizing the costs of corrupt governments, argue that controlling corruption does not need to be linked to international business and the policies of granting loans, including the questioning of the involvement of loan-granting organizations and international assistance organizations. They argue that commercial policy and development assistance should not be tied to non-economic issues. See Rose-Ackerman, supra note 2, at 90.

31. See World Bank, supra note 21, at 9-10.
WB has developed various reports and other research on the topic. Ex-President Paul Wolfowitz brought the institution to place a greater emphasis on combating corruption as a fundamental element in promoting development.32

In September of 1997, the World Bank Executive Advisory Board approved its first anti-corruption strategy of the institution. This strategy defined corruption as the abuse of public office for private gain, and brought the WB to act against corruption in four areas: i) preventing fraud and corruption in WB projects of the institution; ii) helping countries that ask for assistance in combating corruption; iii) making corruption a central focus of the WB’s concern in the work of the WB; iv) and giving support to international forces combating corruption.33

During this period there was also a broad consensus at the heart of the WB around the idea that corruption is synonymous with bad governance, and that, therefore, combating corruption required giving attention to the causes of bad governance.34 However, bad governance and corruption are not synonymous.

Governance refers to the form in which public servants and institutions acquire and exercise authority in order to give form to public policy and distribute goods and public services.35 Daniel Kaufmann defines governance as the combination of traditions and institutions over which authority is exercised in a country for the common good. This includes: i) the process by which those in authority are selected, monitored, and replaced (the political dimension); ii) the government’s capacity to effectively manage its resources and implement sound policies (the economic dimension); and iii) the respect of citizens and the state for the country’s institutions (the institutional respect dimension).36 For Kaufmann, corruption is a result of bad governance, involving the aforementioned abuse of power for private gains.37 In other words, the topic of governance is much broader than that of corruption, but in this vision, both are a part of the same framework.

Given the WB’s adoption of this nexus theory between competence

32. This observation can be made from an analysis of speeches given by Wolfowitz during his term. See Jeffrey Sachs, O FIM DA POBREZA: COMO ACABAR COM A MISÉRIA MUNDIAL NOS PRÓXIMOS 20 ANOS (São Paulo, Brasil: Companhia das Letras, 2005) (making this observation from an analysis of speeches given by Wolfowitz during his term).


34. Huther and Shah, supra note 33.

35. World Bank, supra note 7, at 9.


37. World Bank, supra note 7, at 9.
of governance and corruption, successful programs in combating corruption, according to Jeff Huther and Anwar Shah, are seen as those that turn to the underlying flaws of governance, and which result in fewer possibilities for gains and greater probability of punishment. Such programs must be focused on the quality of governance of the country. Huther and Shah note that previous experiences of developed countries confirm these conclusions, since such countries did not achieve a reduction of corruption by introducing technocratic solutions, but by encouraging a sense of duty among public servants through the idea of accountability.38

Accountability is the other fundamental concept in the WB's approach to corruption. Accountability represents more than mere responsibility. It expresses the idea that people are sensitive to the results of their actions when those results are attributable to their actions; it is associated with delegated authority and is distinct from responsibility.39

All of these concepts—governance, corruption, and accountability—are linked. If a country enjoys good governance, this indicates that resources are allocated efficiently and in response to the essential needs of the society. Democratic and efficient forms of governance are based on public participation, transparency, and accountability, including the spectrum of approaches and practices used by governments to guarantee that their activities and results adhere to established objectives and standards. Corruption compromises the integrity of governments, affecting the credibility of democratic institutions, which are essential for good governance.40

Despite the fact that the definition of corruption adopted by the WB does not differ greatly from other analytic definitions—in fact, it is quite a traditional definition—the form in which it is treated confers upon it specific characteristics within the WB. The WB's conception of an established link between corruption and a lack of good governance and accountability has resulted in a redefinition of what it means to combat corruption, from a limited strategy focused on simply eradicating corrupt practices, such as bribery or nepotism, to the inclusion of facts that permit these practices to arise. In other words, when there is good governance and accountability, levels of corruption are lower. On the other hand, when governance is of poor quality and there is a lack of accountability, levels of corruption tend to be higher.41

38. See Huther & Shah, supra note 33, at 12.
40. See Rose-Ackerman, supra note 2, at v.
41. For a more detailed discussion relating to governance, accountability and
Thus, for the WB to combat corruption, the promotion of good governance and high levels of accountability are necessary. It is not possible to combat corruption effectively without also combating problems of bad governance or reduced levels of accountability. Thus, the strategy of the WB to combat corruption is intimately linked to the issues of governance and accountability.42

IV. The Relationship Between Corruption and the Comprehensive Development Framework of the World Bank

At different times since its creation, the WB has been influenced by at least four different visions of development. Initially influenced by the work of Rostow, the WB and its economists saw the accumulation of fixed capital as the key to development later, the work of Theodore Schultz and Gary Becker on the importance of human capital to successful development came to influence the vision adopted by the institution. At the end of the 1970s, facing international economic conjecture (influenced, in great part, by oil shocks), the WB adopted the notion that would come to be known as “structural adjustment.” At least from the time of James Wolfensohn’s presidency, the institution has implemented the idea of a “comprehensive development framework.”45

Support for the idea that the accumulation of fixed capital was central to successful development caused the institution to support an increase of investment in fixed capital such as roads, canals, highways, factories, and machinery. All WB projects approved during this period reflected this idea.46

At the beginning of the 1960s, the worldwide vision of development began to change, and this was reflected within the WB. Now the idea of the primary importance of human capital to the process of development,

corruption, see id.; World Bank, supra note 7; Huther & Shah, supra note 33.

42. Thus, an analysis of the current strategy of the World Bank is interesting. The strategy was approved by the institution in March of 2007, and the reports about the global indicators of governance are available on the institution’s website. This Article does not evaluate the adequacy of the approach of the World Bank in combating corruption. Rather, the objective here is to portray the approach; the assessment of this approach is done in Carolina P. Bohrer Munhoz, O Conceito de Desenvolvimento no âmbito do Bando Mundial, manuscript prepared for Universidade Federal de Santa Caterina Faculdad de Direito (2007).


45. See MALLABY, supra note 19.

46. Id. at 22.
in preference to fixed capital, gained ascendance at the WB. Investment projects expanded beyond the simple goal of acquiring fixed capital, now encompassing areas such as education and professional training. During this period, WB President Robert McNamara played a key role in expanding the role of the institution.47

By the end of the 1970's, the external economic environment caused the WB to change its position once again. Two world oil shocks, combined with the internal economic environment of many developing countries—which included serious problems of balance of payments, high inflation, slow growth and high unemployment were the main causes of this change. The WB's response to this new reality was an emphasis on structural adjustment as an instrument well suited to lead countries safely along the path of development. Later known as the Washington Consensus, this new approach consisted of a process of reform oriented toward markets and institutions, with the objective of restoring a sustainable balance of payments, reducing inflation, and creating conditions to facilitate a sustainable increase in per capita income.48

This brought about the beginning of a new era for the WB, during which a phase with a broad agenda covering a series of themes, such as population control and agriculture alternated with a more restricted agenda focused on policies of change, balanced budgets and other macroeconomic challenges. Such a focus excluded other analytical perspectives on the question of development, whether social, environmental or political, and brought unending criticism of the WB and its performance in the following years.49 Furthermore, the reforms did not have their predicted and desired results. Instead, heavy social costs resulted from the required reforms tied to the granting of loans. This only contributed to the discontent of various sectors of civil society in the developing countries receiving aid.50

During the 1990s, when Wolfensohn assumed the presidency of the WB, various changes began to take place in its structure and role. At the same time, studies and discussions on the theme of development

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47. See Anne Krueger, Policy Lessons from Development Experience Since the Second World War, reprinted in HANDBOOK OF DEVELOPMENT ECONOMICS Vol. 3B, 2498-550, 2513 (Jere Behrman & T.N. Srinivasan eds., Amsterdam, Elsevier 1995); MALLABY, supra note 19, at 34.
49. MALLABY, supra note 19, at 37.
continued. New ideas and concepts continued to arise in an effort to quantify and define the term.

Eventually, the observable failure of the structural adjustment approach and new thinking on the concept of development resulted in the adoption of a new theory by the WB called the "comprehensive development framework" ("CDF").

The CDF encompasses a series of principles that must guide development and poverty reduction. According to the WB itself, the central objectives are the elimination of poverty, the reduction of inequality, and the augmentation of opportunities for people in developing countries and least developed countries. The CDF would permit countries to reach the objectives mentioned above by emphasizing the interdependence of all the elements involved in the process: social, structural, human, environmental, economic, financial, and governmental.

The principles that guide development and the reduction of poverty under the CDF are: a holistic vision, with long-term thinking, of the development process; the idea that each country "possesses" and directs its own process of development; the realization of stronger partnerships among governments, donors, civil society, the private sector and other actors in the development process to permit the implementation of the country strategy; and a transparent focus on the results obtained from the process of development, which would guarantee greater efficacy in the actions aimed toward poverty reduction.

The idea, according to Blake, is to look for a better equilibrium in the creation of policies by highlighting the interdependence of all of the elements of development. This approach places emphasis on partnerships between governments, donors, civil society, the private sector and other actors in the process of development. For Blake, the most important point is to place developing countries in a leadership position, taking ownership of the project and directing the development agenda with the WB and other partners.

At the heart of the CDF is a matrix that shows the interaction between the structural, social and human elements of development and
the actors involved in this process. The vertical column is comprised of four aspects of development: a) structural: good and clean government; an effective legal and justice system; a well-organized and supervised financial system; and a social safety net and social programs; b) human: education; health; and population issues; c) physical: water and sewerage; energy; roads, transportation and telecommunications; and sustainable development, environmental, and cultural preservation; and d) sector strategies: rural; urban; private sector; and country-specific.  

To the left side are the actors involved in development: a) governments: national; provincial and state; and city and municipal; b) multilateral and bilateral organizations: such as the United Nations; regional economic blocs such as the European Union; regional development banks such as the African Development Bank; c) civil society: such as religious groups; trade unions; local and international non-governmental organizations; and groups of indigenous peoples; and d) private sector: foreign and national business.

Using the matrix, the actors in the process of development can coordinate their efforts, using the following principles: a) individual countries, rather than the WB, should take the lead and assume ownership in setting their own development goals and strategies, as well as the timing of those goals and strategies, and b) development should be holistic, focusing on social problems, as well as economic ones. In terms of social development, the WB emphasizes the varied categories of the CDF matrix, stating that all categories must be taken into consideration; c) all development actors should be involved in formulating and implementing development policy. As national governments set their development agenda, they should use the CDF matrix to include other actors in the planning of programs and projects. One country's CDF matrix will differ from another country's as each country uses the CDF to address its unique needs. The model focuses on the process of formulating development policies, as well as the identification and coordination of the actors who will implement them; and lastly, d) development should be a “participatory process” with development policies taking a long-term focus; as far as possible, development should be based on broad national consultation and consensus.

With the CDF, Blake emphasizes, countries themselves supervise or plan their development, instead of having this planning imposed, as was the case in the era of structural adjustment. The Washington Consensus was a prescription given to all of the developing countries, without

55. Id.
56. Id.
57. Id.
taking into account specific problems of each country. The CDF also represented a great change in the policy of the WB in the sense that it would cooperate with all of the actors of development; not only the governments, but also civil society and the private sector. In the past, the WB worked exclusively with government, often ignoring or duplicating efforts of other actors in the development process.\textsuperscript{58}

With this new perspective, the role of the WB once again shifted, expanding to encompass new actions that went beyond the doctrinal confines of structural adjustment. These actions have involved investment in health and education, fighting corruption, incentives for agricultural production, the construction of roads and ports, the protection of the environment and participation in the reconstruction of countries and regions destroyed by war; distributing, for example, basic services such as potable water, or encouraging investments in order to generate new jobs.\textsuperscript{59}

This new form of viewing the process of development not only alters the form in which the institution acts, but also, and principally, changes the way in which it relates to the developing countries and least developed countries. The impact of these actions on such countries becomes more comprehensive as their own actions become more comprehensive.

Without a doubt, the CDF represents an advance from the previous and quite exclusive focus of the WB on large-scale projects; while such major projects are still undertaken, they share space with other projects inspired by CDF theory. Also implicit in this framework is the recognition that development is a much broader concept than mere economic development.\textsuperscript{60}

One criticism of the WB's CDF approach is that participation in the receiving countries has not gone beyond the empowerment of government officials, leaving private actors outside the process. For some, corruption ought to be the focus of private sector rather than public sector stakeholders.\textsuperscript{61} Blake, among others, offers a more specific critique. He notes the existence of obstacles for a true appropriation and participation in the implementation of these projects as owing to circumstances in the receiving countries themselves. The principal problem lies in how to guarantee true civilian participation at all levels of the process, a fundamental element of the concept of development itself.

\textsuperscript{58} Id.
\textsuperscript{59} World Bank, Working, supra note 21, at 3.
\textsuperscript{60} Id.
\textsuperscript{61} See, e.g., Ethan Burger and Mary S. Holland, Why the Private Sector is Likely to Lead the Next Stage in the Global Fight Against Corruption, 30 Fordham Int'l L.J. 45 (2006).
Other commentators, the author emphasizes, call attention to the inherently descriptive nature of the CDF: upon suggesting to the developing countries that the elements of the matrix of the CDF are important aspects of development, and focusing only on these elements in discussions with the WB, the framework seems less flexible and more like an imposition by the institution.\footnote{Id.}

The implementation of projects under the CDF is still new and future changes may be necessary. On this topic, Blake suggests that for the CDF to effectively realize its potential as a vehicle for reducing poverty, the WB must encourage, and expect total involvement of civil society within the receiving countries in all such projects.\footnote{Id.}

Succeeding Wolfensohn to the presidency of the WB in 2005, Paul Wolfowitz, brought a new perspective to the institution. This new perspective led to a change in how the CDF was implemented. There was now a focus on combating corruption as a fundamental tool in the promotion of development. Combating corruption was preached not only in words—as in the discourses and declarations of Wolfowitz during his presidency—but also through actions.

Paul Wolfowitz resigned from the presidency of the WB in 2007, and was replaced by Robert Zoellick. Wolfowitz resigned his position after charges of nepotism were made against him. Given the dearth of clear signals from Zoellick to this point in time regarding his views on development, it remains to be seen what, if any, changes he will bring to bear on the WB’s implementation of the CDF.\footnote{See Catá Backer, supra note 25.}

At present, information offered by the WB continues to identify combating corruption and promoting good governance as the principal focal points for successful development.

Two critiques can be made about the emphasis on combating corruption. The first and most obvious is that the focus on combating corruption represents a deviation in the interpretation of the CDF. The WB itself, when it speaks of the framework and its matrix, emphasizes that it is necessary to adopt a holistic vision of development, one consisting of many components. An honest government represents only one of these components, and an excessive emphasis on it could lead to forgetting the others.

Concentrating only on good governance and combating corruption would lead back to the idea of a magic solution for the problem of poverty: when a country promotes good governance, thereby controlling the phenomenon of corruption, it will always develop. All of the lessons
learned during the more than fifty years of experience at the WB would be once again abandoned. The only difference in relation to the previous models would be the content of the aforementioned magic solution: no more investment in infrastructure, human capital or rules imposed in the model of structural adjustment, but the trust that a country free of the evil of corruption is a country that will necessarily develop.

As Sachs emphasizes, although there exist reasons for supporting better governance in poor countries, the focus on corruption and on bad governance is excessive. In the case of Africa especially, Sachs emphasizes that the economic backwardness of the continent cannot be attributed only to corruption and bad governance, nor exclusively to colonial violence and occidental meddling (though these factors share blame). Despite the recognition that the pattern in practically the entire African continent is that of low quality of governance, Sachs notes that developed countries are accustomed to having indicators of governance and corruption that are higher than those of poor countries. According to Sachs, good governance and high income go hand in hand not only because good governance increases income, but also because, and maybe even more importantly, higher income brings about better governance.

In this way, when the income of a country grows, the governance normally improves because the conditions of the population as a whole improve, rendering it able to assess political-economic processes, and to invest in governance of higher quality. And it is not only this. Analyzing again the African case, Sachs emphasizes that whatever the level of quality of governance may be, African countries tend to grow less rapidly than countries located in other regions, even though they have similar levels of governance. When speaking of Africa, Sachs says, it is necessary to take into consideration other variables, such as geographic and ecological questions, without which it would be impossible to explain the low economic performance of African countries. In other words: corruption is a problem for the process of development, but not the only problem; addressing corruption alone cannot resolve the question of development.

V. Final Considerations

The theme of corruption has been at the center of attention in national as well as international arenas. In recent years, national legislation to combat corruption has proliferated, as have international

65. SACHS, supra note 32, at 357.
66. Id. at 356.
67. Id.
68. Id. at 357.
treaties addressing the issue.

However, this interest does not translate into a consensus on a single definition of corruption, or about the phenomena that it entails. In fact, there is no universally accepted concept of corruption. Because of this, practices understood or interpreted as being corrupt in one jurisdiction might not be judged corrupt in another.

The form in which corruption is understood influences the methods used to combat it. As discussed throughout this Article, the WB adopts a quite traditional definition of corruption. On the other hand, this definition is inserted in a broad context, in which notions of governance and accountability play fundamental roles.

The central idea that imbues all of the WB’s logic of combating corruption is that corruption is inextricably linked to the quality of governance: when there is good governance and accountability, levels of corruption are lower; in the absence of these elements, levels of corruption tend to be higher. In this way, the approach of the WB to combat corruption includes the promotion of good governance and high levels of accountability. In other words, from the point of view of the Bank, it is not possible to combat corruption in an efficient manner without approaching problems of bad governance and reduced levels of accountability.

Though the WB’s approach to combating corruption seems quite broad, the way in which it involves factors that go beyond the good old binomial of repression/punishment and the excessive emphasis on corruption seems contrary to the CDF adopted by the institution itself. In this way, betting on good governance corruption represents not only a diversion from, and a restriction of, the application of the CDF, but also a strategy that by itself is incapable of resolving the question of poverty in the world.