THE ART OF POVERTY

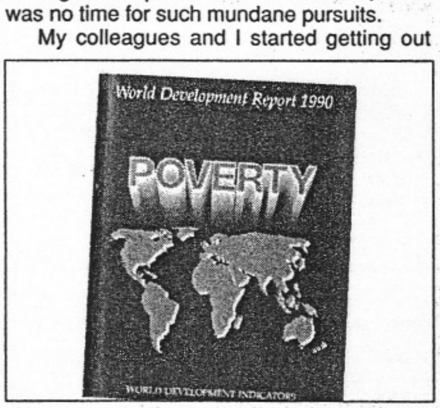
Doug Hellinger reflects on the World Bank's latest preoccupation.

In the mid-1970s, I spent a lot of time around the World Bank's Washington headquarters. This wasn't as difficult to do as it is today. Nobody was threatening to bomb the offices, much less steal documents. It wasn't a bad place to be either. They paid glorified photocopiers as research assistants and you could get a full, roast-beef lunch for $1.75.

In any event, back then the Bank was in its heyday. Bob McNamara had just left the Pentagon and was turning the Bank into a $10-billion-a-year lending outfit. And the 'think tanks' on Massachusetts Avenue were making it out to be the saviour of the development set. New sectors – education, health, rural and urban development – were being emphasized. This supposedly meant more money for the poor – without, of course, diverting any from all the academics, consultants (like myself), contractors and bureaucrats who worked in and around the major aid institutions.

Something, however, was wrong. For all the new talk about poor people, there didn't appear to be a lot of respect for them. Or at least it didn't seem to be important to listen to what they had to say – to hear about what they were doing, what they needed and what was being done to them. With so much money to spend, so many problems to solve, such great responsibilities to shoulder, there was no time for such mundane pursuits.

My colleagues and I started getting out



'in the field', working with the few risk-takers on the Bank staff to demonstrate how to build on what people were actually doing. Everywhere we found evidence of Bank-supported projects that had been imposed on the poor; governments and implementing agencies that couldn't give a damn about intended beneficiaries; too much money being pushed too fast into projects that were too big, with too many foreign consultants and contractors.

It was during this era that the Bank co-authored a high-profile study called *Redistribution with Growth*. In a critical review, an Indian journalist reputed to have previous ties to the Bank accused the institution of helping 'retrograde regimes' increase the power of the wealthy and worsen income distribution. The Bank, he wrote, had always considered those who promoted distributive goals as 'idiots or, worse, dangerous subversives'. Now it was arrogantly instructing the rest of us on the roots of global suffering. He suggested a new title: 'How the World Bank Came to Discover Poverty'.

All this came rushing back to me the other day when I received my copy of the Bank's latest *World Development Report*. I knew the Bank was concerned about deflecting mounting criticism of the disastrous structural adjustment programs it has been pushing on debt-strapped Third World countries. But I wasn't prepared for what greeted me.

The word 'POVERTY' jumped off the cover in capital letters, against a dramatic black background. Had the Bank, in fact, rediscovered poverty? Was it telling us that it had somehow lost its bearings over the years, that it had forgotten that there were poor people out there, that the 'magic of the market' worked miracles only for the rich and for corporations looking for cheap labor, ready resources and new markets?

I read 143 tedious pages searching for some sign of mea culpa, some indication that the Bank understood its contribution – especially during the 1980s – to world poverty. But not a trace of it. Instead the Bank is again instructing its critics – those idiots and subversives who know nothing about economics – on poverty and what to do about it. One of the main discoveries seems to be that investing in human capital is a good thing.

This revelation comes from the same people who have insisted on slashing health and education budgets, food subsidies, wages and jobs around the world. The same people who told us that economic 'adjustment' would take only a couple of years and who originally gave little thought to its impact on the poor.

Even today the Bank insists that countries in the South compete against one another for Northern markets that are essentially closed to them. It hectors them to produce goods that sell in world markets at rock-bottom prices. And it forces them to ravage their environment and allow their poor to go hungry in pursuit of this dead-end export strategy.

The new *World Development Report* shows that the mistakes of the past decade are still unrecognized. The recipe for the 1990s? More adjustment. That's the bottom line of the 'Poverty Report', all frills removed.

Should we – should the poor – have expected any more? Not from these guys. Not from an institution that, rather than listening to the poor, takes its cues from the money markets and investment bankers in London, New York and Washington.

After all, where better to learn the art of creating poverty?

Doug Hellinger is Managing Director of the Development Group for Alternative Policies