THE WORLD BANK AS A NORM-BROKER: KNOWLEDGE, FUNDS AND POWER IN GOVERNANCE REFORMS IN ARGENTINA

by

María Pía Riggirozzi

A thesis submitted in partial fulfilment of the requirements for the degree of Doctor of Philosophy in Politics and International Studies

University of Warwick
Department of Politics and International Studies
September 2005

TABLE OF CONTENTS

LIST OF TABLES

ABBREVIATIONS

ACO	Anti-Corruption Office
ADC	Asociación por los Derechos Civiles (Civil Rights Association)
B-SPAN	Web-casting for Development
CAS	Country Assistance Strategy
CDF	Comprehensive Development Framework
CELS	Centro de Estudios Legales y Sociales (Centre of Legal and Social Studies)
CIPPEC	Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento (Centre for the Implementation of Public Policies promoting Equity and Growth)
DECRG	Development Economics Research Group
DfID	U.K. Department for International Development
ESSD	Environmental and Socially Sustainable Development
ESW	Economic and Social Works
FARN	Fundación Ambiente y Recursos Naturales (Environment and Natural Resources Foundation)
FIEL	Fundación de Investigación Económica Latinoamericana (Latin American Economic Research Foundation)
FOCAL	Canadian Foundation for the Americas
FORES	Foro de Estudios sobre Administración y Justicia (Forum for the Study of Justice Administration)
FPSI	Finance and Private Sector Infrastructure
FREPASO	Frente del País Solidario (Front for a Solidary Country)
GDLN	Global Development Learning Network
GDN	Global Development Network
HD	Human Development
HIPC	Highly Indebted Poor Countries' Initiative
IACC	Inter-American Convention against Corruption
IDA	International Development Association
IDB	Inter-American Development Bank
IDEA	Instituto para el Desarrollo Empresario en la Argentina (Business Development Institute)
IDF	Institutional Development Facility
IDRC	International Development Research Centre
IGR	Institutional and Governance Reviews
IMF	International Monetary Fund
INECIP	Instituto de Estudios Comparados en Ciencias Penales y Sociales (Institute of Comparative Studies in Criminal and Social Sciences)
IPE	International Political Economy

IR	International Relations
JICA	Japan International Cooperation Agency
JUFEJUS	Junta Federal de Cortes y Superiores Tribunales de Justicia de las Provincias Argentinas (Federal Board of Courts)
LIL	Learning and Innovation Loans
NGOs	Non-governmental Organisations
NIE	New Institutional Economics
OECD	Organisation for Economic Cooperation and Development
OED	Operations Evaluation Department
ONEP	Oficina Nacional de Etica Pública (National Office of Ethics)
ONTI	Oficina Nacional de Tecnología de la Información (National Office for Information Technologies)
PER	Public Expenditure Reviews
PIC	Public Information Centre
PID	Project Information Document
PREM	Poverty Reduction and Economic Management Network
PREJUD	Programa Integral de Reforma Judicial (Integral Program of Judicial Reform)
PROJUM	Proyecto Juzgado Modelo (Model Court Project)
PRSP	Poverty Reduction Strategy Paper
ROSC	Report on the Observance of Standards and Codes
SSR	Social and Structural Reviews
UCR	Unión Cívica Radical (Radical Party)
U.N.	United Nations
UNDP	United Nations Development Programme
U.K.	United Kingdom
U.S.A	United States of America
USAID	United States Agency for International Development
WBI	World Bank Institute
WBER	The World Bank Economic Review
WBRO	The World Bank Research Observer
WDR	World Development Report

DECLARATION

I certify that this dissertation is my own work. No portion of this work has been submitted or is currently being submitted in support of an application for a degree at any other university.

María Pía Riggirozzi

University of Warwick
Department of Politics and International Studies
1 September 2005

ACKNOWLEDGEMENTS

This thesis is the result of three years of intense work, very useful interviews, and invaluable time, support and patience of lots of people. I want first of all to thank my supervisors, Professor Jan Aart Scholte and Professor Diane Stone, for their constant support, innumerable revisions of draft chapters, and suggestions, which were vital for the completion of this thesis. I am also indebted to Dr. Diana Tussie, at FLACSO/ Argentina, as her encouragement and sincere advice was a valued source of motivation. My special appreciation and thanks goes also to Dr. William C. Smith, professor of International Studies at the University of Miami, for his enthusiastic and critical comments during different stages of my work. Many other people collaborated and made this project possible, in particular all the interviewees that offered their time and willingness.

My appreciation is also being extended to the Department of Politics and International Studies and the Centre for the Studies of Globalisation and Regionalisation at the University Warwick, which provided institutional and financial support throughout my Ph.D. I would also like to thank the North-South Center at the University of Miami, for providing funding for an exploratory research before coming to Warwick. I am very grateful to the Global Development Network for awarding me with a research grant that supported my fieldwork in Buenos Aires and Washington D.C., and gave me the opportunity to discuss empirical findings in two international workshops in Delhi, in January 2004, and in Dakar in January 2005.

My sincere thanks are also to Fernanda Tuozzo for generously sharing her time and knowledge with me when discussing arguments, points of view and anecdotes of fieldtrips. In addition to her experience, her frank friendship has always helped me to put things in perspective. I greatly appreciate as well the work of Liz Thompson whose editing suggestions and precise sense of English contributed to the final version of this thesis. Paola Robotti also helped me to improve the final product with her many suggestions and advice.

But my special thanks are saved for my husband, John, who not only put up with my swinging moods and many spoiled weekends, but more importantly he was always ready to support me with much encouragement, patience and understanding. His love, together with that of my family and friends, gave meaning and joy to long and lonely hours of reading and writing. I cannot thank them enough.

Finally, I dedicate this thesis to my father, who somehow and somewhere is enjoying this achievement.

ABSTRACT

This study explores the role of the World Bank in the promotion of two governance reforms in Argentina, judicial reform and anti-corruption policies. It argues that when the World Bank is able to draw on both its financial and knowledge power to build and consolidate 'pro-reform networks' with local actors it is more likely to ensure the implementation of governance reforms in its client countries. This argument is built on the premise that whatever the leverage of the World Bank as a financial institution or as a Knowledge Bank, and despite this leverage, it cannot implement programmes by itself in developing countries. A loan and its conditions may be negotiated and approved with government officials, yet the materialisation of projects into policies and institutions is embedded in complex policy process in which the interplay between Bank staff and local actors (beyond government officials) can favour or inhibit policy change. In this context, it is argued that the dominance of a particular actor or paradigm vis-à-vis other contending actors or ideas is not reinforced simply by the coercive position of the lender over the borrower, but rather by its capacity to integrate contesting impulses into broader consensus for policy change. In this capacity, the World Bank is defined as a 'norm-broker'.

Through a framework that combines critical perspectives in International Political Economy and institutional analysis, this thesis explores different patterns of intervention of World Bank units that acted either as a mere 'conveyor' in the transfer of funds and knowledge or as a 'broker' by integrating the normative agenda grounded in Bank's knowledge with country-based knowledge for the design, negotiation and implementation of governance reforms in Argentina.

The theoretical and empirical study of judicial reform and anti-corruption in Argentina contribute to the understanding of reform implementation in which the Bank only succeeds in achieving effective institutionalisation when it engages with local actors, in particular with local experts, in pro-reform networks. By analysing different patterns of involvement of Bank units, this thesis also identifies knowledge/policy dynamics as a critical aspect of policy-making. From this perspective, this thesis departs from traditional studies that focus on one-way coercive leverage of lending institutions and offers a critical approach to the analysis of power, knowledge and policy change in developing countries. It also sheds light on the complexities of international organisations as they expand their roles towards new areas of involvement that fall into the domain of domestic policy-making.

INTRODUCTION

THE WORLD BANK AS A NORM-BROKER: KNOWLEDGE, FUNDS AND POWER IN GOVERNANCE REFORMS IN ARGENTINA

GENERAL SCOPE AND GOALS OF THE THESIS

This thesis analyses the role of the World Bank in the promotion of governance-related programmes in Argentina. In exploring this role the research seeks to analyse the ways, and the extent to which, the World Bank acted either as simply a 'conveyor' in the transfer of funds and knowledge or as a 'broker' articulating funding strategies with global and local knowledge for the implementation of politically sensitive reforms on the ground. The thesis focuses on the two main aspects that were benchmarks during the administration of James Wolfensohn as President of the World Bank (1995-2005); namely, governance and knowledge management.

Since the early 1990s, the World Bank's ideological and financial leverage have been enhanced by the development of a knowledge management system for the creation, dissemination and implementation of knowledge related to what constitutes good economic policy. Both the governance agenda and the new knowledge management approach attracted the interest of researchers from various disciplines and have been the object of prolific studies in the academic world, and the focus of scrutiny by policy-oriented and advocacy campaigns. The literature on the World Bank has, for the last ten years, focused largely on three broad areas of analysis: (i) changes in the institutional and organisational culture of the Bank (Miller-Adams 1999; Gilbert and Vines 2000; Pincus and Winters 2002; Weaver *et al.* 2004); (ii) contradictions between technical and political approaches to development (Kapur and Webb 2000; Santiso 2003; Tuozzo 2004); (iii) new practices in World Bank operations, such as the participation of civil society in Bank programmes, transparency and accountability (Fox and Brown 1998; Nelson 2000; Casaburi *et al.* 2000; Marquette 2004). Historical and journalistic accounts have also re-examined the mission and mandate of the World Bank and the manner in which it contributed (or not) both to economic development and development economics (for instance, Kapur *et al.* 1997; Mallaby 2004; Ritzen 2005).

However, little empirical work has been done to explore the implications of these substantial and operational changes for policy implementation in developing countries. Likewise, studies of the World Bank tend to describe the Bank as a uniform institution and thus less attention has been paid to the ways different units *within* the Bank engage in the promotion of development goals via financial and non-financial means; aspects apparently beyond the scope of empirical analysis. By overlooking the different patterns of involvement in governance reforms by different World Bank units, existing literature on the World Bank has also subsumed the approach to knowledge, power and policy change either to an almost linear dynamic of knowledge diffusion and lesson drawing (see for instance, Finnemore 1996; Park 2005), or considered it the result of authoritative knowledge imparted by the Bank (Gilbert *et al.* 2000; Pincus and Winters 2002). Even scholars writing from a critical perspective, albeit from a different analytical angle, have reproduced some of the limitations of this literature and have overemphasised the World Bank's ideological power in facilitating the global expansion of neo-liberal ideas (see Chapter Two for a thorough theoretical discussion).

Against this backdrop, this thesis has three main goals. The first goal is to explore, theoretically and empirically, the role of World Bank units in the promotion of governance reforms in Argentina via financial and knowledge-related resources. Empirically, the significance of this is to offer a specific analysis focusing on a country case study for a comprehensive understanding of the process by which World Bank knowledge, funds and power affected the framing and implementation of governance reform programmes in Argentina. This research goal is particularly important since the existing literature has tended to disregard contesting forces or alternative knowledge and the interplay among actors involved in the negotiation and implementation of policies.

The second goal is to provide a broader understanding of the World Bank and to approach still neglected questions about the different patterns of involvement by different units of the Bank in the promotion of governance reforms in developing countries. It is argued that most of the existing literature not only considers the World Bank as a monolithic actor producing and disseminating knowledge and funds, but also that World Bank paradigms are a-critically taken up and implemented in developing countries. This thesis argues that the Bank is not a uniform institution and that its role in forging governance-related programmes varies depending on how and to what extent different World Bank units and staff seek either to transfer or to broker financial resources, World Bank ideas and local expertise in the implementation of reforms.

The third goal is to problematise the concept of power revealing how non-material dimensions of influence, in this case knowledge, are part and parcel of a complex policy process in which the dominance of a particular actor or paradigm *vis-à-vis* other contending actors or ideas is not simply reinforced by coercive means but rather in consensus building.

This thesis departs from studies focusing on one-way coercive leverage of lending institutions and offers a critical approach to the analysis of power, compliance and policy change in developing countries (for instance, Krasner 1983; Gilpin 1987; Mearsheimer 1994, Payer 1982; Wade 2002, Cammack 2004). The empirical analysis offered in this thesis suggests that the power of the World Bank cannot be considered a 'given attribute' but rather the result of fostering relations with certain local actors empowering them to carry through the project of the World Bank in an existing political-economic context. From this perspective, this research re-focuses the analysis of power, compliance and policy change and claims that the power of the World Bank to change policies in developing countries should be seen not in the *transfer* of ideas (coercively or by providing 'best practices') but in its *institutionalisation*; that is, in the materialisation of ideas into institutions.

In achieving these research goals, this thesis provides an original approach for a more comprehensive analysis of the role of the World Bank in governance-related reforms. That is, the theoretical and empirical analysis of the role of the Bank in judicial reform and anti-corruption programmes in Argentina offers an understanding of the ways World Bank knowledge and funds operate on the ground. Particularly significant in this study is the capacity of Bank staff to engage with local actors, in particular local experts, in pro-reform networks for the framing of policies and their implementation.

As an analytical platform, the study of governance reforms in Argentina has implications for the analysis of the different modes of intervention by World Bank units in the implementation of politically sensitive reforms in other developing countries. Ultimately, the thesis offers a theoretical and empirical groundwork that shows the importance of overcoming deterministic understandings that attribute particular roles and particular power weight to certain actors involved in reform processes.

The remainder of this chapter is divided into four parts. The first part presents the research questions and main arguments of the thesis. The second part describes the main contributions of this thesis to the study of International Relations and International Political Economy (IPE) and the study of international organisations. The third part presents research and methodological considerations. The final part of the chapter summarises the structure and contents of the thesis.

RESEARCH ARGUMENTS

This thesis argues that the capacity of the World Bank to implement new norms of development related to governance reforms rests on a combination of financial and non-financial means, as well as in its ability to engage in pro-reform networks with local actors. This argument is built on the premise that whatever the leverage of the World Bank as a financial institution or as a Knowledge Bank, and despite this leverage, it cannot implement its own reform programmes in developing countries. A project loan, as well as its conditions, may be discussed and negotiated with government officials, but the materialisation of projects into new institutions and policies is a process that is embedded in political, institutional and economic contexts in which the actors' incentives can favour or inhibit policy change.

This study explores the policy process related to the implementation of two governance-related reforms programmes in Argentina; judicial reform and anti-corruption policies carried out since the mid-1990s. These cases illustrate two main claims explored in this thesis. The first of these is that when the World Bank is able to draw on both its financial and knowledge power to build and consolidate 'pro-reform networks' with local actors, it is more likely to ensure the implementation of new norms of governance policies in its client countries. The second claim is that the World Bank is not a uniform institution and thus its role advancing governance reforms varies according to the extent to which Bank units acted either as simply a 'conveyor' or as a 'broker' of funds and knowledge. That is, in some circumstances Bank staff approached reform as a process of transfer of blueprints and 'best practices' via negotiating funded projects with the government, overlooking local experts (and their expertise). In other circumstances, Bank staff engaged with local expertise in the framing of the problem and the solution.

However, as explored in the case of judicial reform, while the Bank plays an important role in the transfer of knowledge, in practice the dissemination of knowledge has proved insufficient to ensure success in policy implementation (see Chapter Five). In contrast, the case of anti-corruption shows that when development assistance becomes a process in which the Bank acts as a *broker* integrating the normative agenda grounded in Bank's knowledge with country-based knowledge for the design, negotiation and implementation of policies, then implementation of politically sensitive reforms is likely to materialise (see Chapter Six). Ultimately these cases show that in an attempt to create a consensus for policy change, the Bank staff enforced power relations that in some cases reinforced and in others limited the implementation of policy change and institutional reform.

In order to understand the role of the World Bank as a 'norm-broker' in the production and diffusion of governance-related norms in developing countries, this thesis draws on a framework of analysis that combines neo-Gramscian theoretical contributions developed in the field of IPE mainly, but not only, by Robert Cox (1986; 1987; 1993) and institutional analysis represented by the literature on policy transfer (Dolowitz and Marsh 1996; 2000) and policy networks (Marsh 1998; Evans and Davies 1999; Dowding 2000). In this comprehensive framework, the central assumption is that material factors alone are insufficient determinants of policy change. Policy change involves a dynamic process whereby societal arrangements and the presence (or absence) of pro-reform networks in developing countries affect the path and thrust of reform implementation.

In the case of Argentina, financial and non-financial capabilities determine a structure of power relations between the World Bank and the actors involved in anti-corruption and judicial reform programmes that cannot simply be reduced to the coercive influence of the former. That is, different configurations of social relations are not only shaped by the distribution of political and economic resources among key actors, but also by the capacity of the World Bank to build on a consensus for policy reform. Thus, in sensitive policy areas the leverage of the World Bank to advance governance-related norms rests not only on its financial power, but also on its capacity to articulate pro-reform networks that reproduce and reinforce the application of knowledge on the ground, creating institutions according to the exigencies of the international economy.

Two factors constitute the power of the World Bank's knowledge for policy change. First, knowledge has a powerful ontological effect in establishing governance-related practices as a policy paradigm. Once knowledge has become routinised as accepted social practice, it is established as a norm around which practices are oriented. Second, knowledge creates new lending instruments for policy reform and reinforces their implementation. Yet 'knowledge transferred' is not necessarily 'knowledge taken'. This thesis demonstrates that rather than in the transfer of ideas (coercively or by providing 'best practices') the power of the World Bank to advance effective policy change depends upon working with local actors and integrating contesting impulses into a broader consensus to implement politically sensitive reform on the ground. The implementation of politically sensitive reforms in developing countries is then intimately associated with the capacity of the World Bank to act as a 'norm-broker', engaging in pro-reform networks with local actors to mobilise financial and knowledge resources.

In addressing these issues, this thesis puts forward three theoretical arguments that structure the rest of the analysis:

- The capacity of the World Bank to produce and diffuse knowledge on what constitutes good economic policy (good governance) is a powerful ontological instrument affecting the way people perceive and think of economic development. Thus, production and diffusion of knowledge has become a critical factor within the structure of power and global scope of the World Bank, since it enhances the capacity of the Bank to frame issues and outline solutions.

- Knowledge is an important resource within the World Bank's power structure in that it is mutually reinforcing with financial capabilities. Yet 'knowledge transferred' is not necessarily 'knowledge taken'. The implementation of politically sensitive reforms in developing countries is intimately associated with the capacity of the World Bank to mobilise financial and knowledge resources via pro-reform networks with local actors.

- The ontological power of the World Bank's knowledge and its instrumentalisation into policy practices defines a new role for the World Bank as a 'norm-broker'. Therefore, the ability of the Bank to translate knowledge into instruments of policy reform depends on its capacity to act as a 'norm-broker', engaging with local actors for the implementation of policies on the ground.

The development of these arguments supports a rethinking of the relationship between power, compliance and policy change from a critical perspective. In so doing, it helps to fill the gap between traditional studies that focus mainly on the financial leverage of lending institutions and the more recent analyses of knowledge-based institutions that overemphasise knowledge transfer and diffusion as explanatory bases of policy change.

CONTRIBUTIONS TO THE STUDY OF INTERNATIONAL RELATIONS AND INTERNATIONAL POLITICAL ECONOMY

This thesis offers four main contributions to the study of IR and IPE. First, the approach elaborated combines, as little other research has done, critical theories (in this case neo-Gramscian IPE) and actor-oriented models of policy making (represented by the literature on policy transfer and policy networks) for exploring knowledge/policy relationship within the World Bank. It does so by compensating for the limitations of early writing in public policy literature that overlooked the nature of power relations and the source of dominance, assuming rational models in which ideas and institutions are transferred mimetically from one country to another. But it also compensates for the limits of structural analysis in IPE that has often ignored empirical analysis on the production and diffusion of knowledge as centrepiece of power relations and policy change.

The first contribution in the framework developed connects the context in which knowledge is created with the context in which knowledge is implemented. It does so by exploring the links between knowledge, power and policy development beyond knowledge diffusion among actors, considering situations in which World Bank knowledge encounters contesting knowledge from local actors.

Second, it enhances the study of the World Bank as a knowledge institution probing the role of the World Bank as a 'norm-broker' that creates and diffuses governance-related knowledge to advance policy reform in developing countries. In particular, this study identifies a specific function of international institutions (and possibly other policy actors) which influence the main thrust of political-economic reforms by a combination of financial instruments and knowledge management. This is another important contribution since the production and diffusion of knowledge as a critical aspect of the World Bank's power and global scope has still received little attention.

Third, this analysis sheds light not only on the complexity of the structure of power operating in international organisations, but also on the expansion of their roles in new areas of activity that embrace domestic policy-making. Studying the World Bank as a pro-active participant advancing new norms of development can set a parameter for the analysis of other international economic institutions' roles and modalities and outcomes of their engagement with local actors (in particular the expertise of local actors).

Fourth, the thesis advances the field of Latin American Political Economy by drawing lessons, based on the Argentina study, for cross-country research on new modalities of implementation of programmes promoted by international financial institutions, the strategic games among societal actors involved in policy reform processes, and the leverage of international organisations in influencing politics and policies in the domestic terrain of borrowing countries. Within this framework, this thesis departs from the traditional studies of world politics that have mostly tended to identify relations between developing countries' governments and international financial institutions as determined solely by the financial leverage of the latter. Instead this thesis explores the political and economic interests and material capabilities that shape power relations and policy outcomes.

EMPIRICAL ANALYSIS AND METHODOLOGY

The thesis is framed in the broad methodology of qualitative analysis. This general analytical framework is related to specific developments in the cases of anti-corruption and judicial reform programmes in Argentina since the early 1990s. The cases selected for this study are:

(i) Judicial reform: the *Model Court Project*, also denominated PROJUM. This project was approved by the World Bank in April 1998 for the reform of court management and for further replication of results. The management of this project was centred within the Legal Department of the World Bank.

(ii) Anti-corruption: *Anti-Corruption Office Programme*, approved by the Bank in June 1999 and aimed at strengthening the institutional capacity to curb corruption; and *Cristal Government Initiative* (also referred as Crystal

Initiative), an electronic portal launched in February 2000 for the disclosure of information related to the administration of public funds. These projects were managed within the World Bank's Poverty Reduction and Economic Management Network (PREM) in close collaboration of the World Bank Institute (WBI).

The criteria for selecting these case studies have been fundamentally based on two main gaps in the studies of reform programmes concerning international financial institutions and developing countries. First, most of the existing empirical analysis on governance-related reforms has focused mainly on normative aspects and the issues at stake in the international promotion of governance (see, for instance, contributions in Domingo and Sieder 2001). Furthermore, despite the contributions of the literature that focuses on the effects of World Bank programmes on Argentina's quality of democracy (see for instance Tuozzo 2004; Teichman 2004), or case studies that make the case of how and why governance must be a priority in international aid assistance (Skaar 2001; Gargarella *et al.* 2004), a more profound analysis is needed to explore micro-relations and the types of engagement of local and internationally-based actors in the making and implementation of reform policies.

From this perspective, the cases of judicial reform and anti-corruption in Argentina selected in this thesis provide in-depth empirical and theoretical analysis of two governance reforms that underwent divergent policy processes and outcomes as a result of the different interplay between actors, money and knowledge. These cases, in effect, provide the empirical grounding for the understanding of the implications of the interplay between funds, knowledge and policy for the implementation of politically sensitive reforms. These cases show how knowledge and policy are contesting areas and how the interplay between knowledge that is codified within the Bank and knowledge articulated and conveyed by local actors can sometimes inhibit and sometimes facilitate implementation of the Bank-supported programmes on the ground.

A second criteria for the selection of these cases in Argentina is related to the study of changes within the World Bank itself. Studies focused on the World Bank have done so by exploring the evolution and scope of organisational changes within the Bank and thus less empirical evidence has been provided in terms of how those changes affect the modalities of involvement by different units within the World Bank in new norms of development that challenge traditional apolitical agendas of development assistance (see Miller-Adams 1999; Weaver 2005). This has been even more the case given the current importance of governance in the arena of international development assistance.

The analysis of different governance programmes in Argentina allows in-depth analysis of the different ways of involvement by different World Bank units, such as the PREM, the WBI and the Legal Department, in both operations and in knowledge-related activities for the promotion of politically sensitive reforms. These cases also help to identify the ways that, and extent to which, Bank units have been more or less opened up to integrate contesting forces into a broader consensus for the design and implementation of policy change. Thus, these cases allow the exploration of contrasting experiences in the role of the World Bank as a mere conveyor of funds and knowledge or as a broker engaging with local actors in pro-reform networks.

Research Methods

This research draws on three main methods: (i) extensive fieldwork carried out in Buenos Aires, Argentina and Washington D.C., U.S.A for conducting of elite interviews and collection of documents; (ii) analysis of primary and secondary data, such as programme documents, official reports, working papers, publications from international organisations and development agencies, national governmental and non-governmental organisations, and international think tanks; (iii) analysis of academic literature. Informal opportunities to present and discuss earlier versions of this study in conferences and workshops helped in the adjustment of data and analysis.[1] Online discussions and

[1] GDN Bridging Research and Policy Workshop (Dakar, Senegal, 21-24 January 2005). Workshop on the World Bank, Center for Policy Studies, Central European University (Budapest, Hungary, 1-2 April 2005). Political Studies Association (University of Leeds, Leeds, U.K. 7 April 2005).

websites material have also contributed to data collection.

In-depth interviews were conducted in person, by phone and email by the author and were based on a standard, though flexible, questionnaire. In Argentina the interviews were organised in relation to three audiences. Broadly, these audiences involved: (i) representatives from the government and bureaucracy involved in judicial reform and anti-corruption programmes; namely, the Ministry of Justice and Human Rights, Magistrate Council, judges and officials from the Anti-corruption Office (ACO); (ii) local experts, including experts from non-governmental organisations (NGOs), think-tanks and research institutions involved in academic research, planning and action-oriented research; (iii) World Bank officials in the country; namely, task managers running reform programmes on judicial reform and anti-corruption in Argentina, World Bank officials and consultants to the World Bank and the WBI.

In Washington D.C., interviews were conducted with key representatives of different units within the World Bank concerned with judicial reform and anti-corruption programmes, not only in Argentina, but also experts in other countries. Among these were task managers from the Public Sector Group, managers and experts from the PREM network, officials from the WBI in charge of training courses and other knowledge-related activities, and researchers and officials from the Development Economics Research Group (DECRG). Other relevant representatives of international institutions such as the Inter-American Development Bank (IDB) and the Global Development Network (GDN) were also interviewed (see List of Interviews).

Ethical Considerations

In the development of this thesis there were no particularly contentious ethical considerations in connection with the empirical data. However, some references and quotations have been kept confidential and are referred in the text as 'unnamed interviewee' where requested.

All data collected in the process of this research has been strictly used for the purpose of completing this thesis. The empirical analysis has also benefited from data collection and research outputs of a research project developed by the author in parallel with this thesis with the financial support of a research grant awarded by the GDN.

STRUCTURE OF THE THESIS

The thesis is divided into seven chapters. Chapter One explores the embodiment of new governance norms in the World Bank's development paradigm and operations. It argues that the adoption of new governance norms represents not only a critical break with the World Bank's traditional apolitical and technical approach to development, but also with its traditional operational strategies. Strengthening the institutions that ensure 'good governance' required new operational instruments to increase the Bank's reach and scope in promoting new developmental norms in developing countries. The chapter thus analyses how governance-related norms unfolded within the World Bank in light of the institutional reorganisation undertaken in the Bank as it implemented two new corporate strategies in the Bank's rhetoric and practices, the Comprehensive Development Framework (CDF) and the Strategic Compact. Particular emphasis is placed on two main aspects of the governance agenda, judicial reform and anti-corruption. The chapter also explores new institutional infrastructure, internal networks and new financial and non-financial resources undertaken in order to retool the institution for the effective promotion of governance norms.

In order to understand the implications of the World Bank as a financial and knowledge provider and its leverage in the promotion of governance reforms, Chapter Two elaborates a framework that draws on neo-Gramscian perspectives in IPE and actor-oriented models of policy-making to study the interplay between funds, knowledge and policy processes in the promotion of governance-related reforms. This framework helps to explain the ways that, and the extent to which, the World Bank acts as a mere 'conveyor of funds and knowledge' or as a 'norm-broker' engaging in pro-reform networks with local actors for the promotion of judicial reform and anti-corruption programmes in Argentina. The chapter argues that despite the dominant position of the World Bank in the field of development economics and in development assistance, any understanding of the role of the World Bank in the promotion of governance-related reforms must look beyond its financial power and address policy change as a consequence of competing knowledge and material capabilities as well as contrasting actors' motivations and agendas. To advance this argument, the chapter offers a critical review of the existing literature on the World Bank within the field of International Relations and IPE, and elaborates a framework that broadens the understanding of role of the World Bank staff in integrating the Bank's normative agenda with country-based knowledge for the design, negotiation and implementation of politically sensitive reforms. Drawing on this framework, a definition of 'norm-broker' is offered. The notion of norm-broker suggests a relational conceptualisation of power in that brokerage does not denote neutral intervention; rather, Bank staff 'craft consensus' and support certain actors to carry through politically sensitive projects. It also departs from deterministic definitions of power in terms of the transfer of a dominant paradigm to *passive recipients*. Local actors, it is argued, can take up, contest, modify or reject external knowledge-based proposals. Thus, the construction of consensus via network activities with local actors can effectively articulate a productive exchange between local experts, decision-makers and implementers. The concepts of *norm-broker* and that of *pro-reform networks* help in the understanding of the activities developed by actors for the achievement of certain goals, as well as it permits the tracing of empirical patterns that explain the divergent results in the cases of anti-corruption and judicial reform in Argentina.

Given the recognition of knowledge as an important asset in the resource structure of the World Bank, Chapter Three explores the characteristics of knowledge management within the Bank's infrastructure. This chapter analyses two main trends in knowledge management: (i) strategies based on staff-to-staff transfer of knowledge via codified knowledge, training and networking activities; (ii) activities fundamentally oriented towards the influence of actors at the country level in the promotion of policy and institutional reforms. In so doing, this analysis discusses the type of knowledge produced within the World Bank and the different units involved in knowledge-related activities. This analysis is central in the development of the argument that is explored in this thesis; namely, that production and diffusion of knowledge has become a critical factor within the structure of the power and global scope of the World Bank since it enhances its capacity to implement politically sensitive reforms in developing countries.

To develop further the analysis of the interplay between money, knowledge, World Bank staff and local actors in governance reforms in Argentina, Chapter Four explores the context in which judicial reform and anti-corruption evolved during Menem's and De la Rúa's administrations (1989-1999 and 1999-2001 respectively). The chapter analyses local actors and World Bank staff's incentives and approaches to judicial reform and anti-corruption and offers an overview of the World Bank's involvement in governance reforms in Argentina. The contextual ground and the empirical patterns explored in this chapter are critical in explaining the overall claim of this thesis; namely, that whatever the leverage of the World Bank, it cannot implement programmes by itself. In other words, reforms are context-dependent and thus policy change denotes a political process that involves amalgamation and compromise between power, ideas, legitimacy and consensus.

Chapters Five and Six concentrate on the empirical analysis of judicial reform and anti-corruption policies in Argentina. Applying the theoretical framework elaborated in Chapter Two, these cases show the different patterns of involvement of World Bank units in the promotion of governance-related reforms. That is, while in the case of judicial reform the Bank acted as a mere conveyor of funds and knowledge in the transfer of blueprints and best practices, in the promotion of anti-corruption policies in Argentina, the World Bank acted as a 'norm-broker', engaging with local experts for the design of policies and their implementation.

Thus, Chapter Five explains the articulation of knowledge, finance and networks in the case of judicial reform in Argentina. This theoretical and empirical analysis shows that the power of the World Bank to implement governance reforms is not solely explained by the leverage of its financial power but rather by its capacity to 'broker' deals with key local actors to gain their consent for the materialisation of policies and institutions at the national level. The empirical analysis offered in this chapter validates this thesis by asserting that governance-related reforms are less likely to be successfully implemented when the Bank is reluctant or fails to engage in pro-reform networks.

This chapter also discusses the implications of the World Bank's Legal Department acting simply as conveyor in the transfer of paradigms and best practices for judicial reform in Argentina, and suggests that the failure to recognise social contestation and networking efforts to close the gap between World Bank's 'best practices' and local knowledge inhibited the implementation process and created a situation in which the Bank lost legitimacy, autonomy and influence in the area of judicial reform. The chapter concludes that since the World Bank's approach to reform competed rather than cooperated with local knowledge and local paradigms, the World Bank's programme, PROJUM, failed to materialise into institutional reform.

Chapter Six concentrates on two anti-corruption initiatives supported by the World Bank in Argentina, the Anti-corruption Office and the Crystal Government Initiative. The chapter opens with a description of the problem of corruption in Argentina and analyses actors, approaches, incentives and local initiatives to curb corruption. In particular, it focuses on the local experts and organisations that form a national epistemic community that not only motivated the anti-corruption agenda in the country, but also set a theoretical precedent for a new way of making policy. It then explores the engagement of the World Bank's PREM and WBI in networking activities with local actors, in particular experts in the area, to advance anti-corruption reforms on the ground. This chapter proves empirically that the power of the World Bank to advance governance norms is explained by the capacity of Bank staff to combine funds and knowledge-related activities in gaining the consent of local actors (beyond the government) to effectively implement policy change.

Chapter Seven presents the conclusions of this study. It first recapitulates the main arguments developed in the thesis, comparing the experiences of the role of the World Bank in judicial reform and anti-corruption in Argentina. It then outlines the main contributions of this thesis for the field of International Studies and, in particular, to critical approaches in IPE. It does so by discussing three main contributions that enhance further analysis of international institutions and developing countries; namely, (i) power, knowledge, actors and policy processes; (ii) the modalities of involvement of World Bank units in governance reforms; (iii) networking with local actors to advance governance. This chapter also discusses the implications of the study for the analysis of other international organisations, other developing countries and other reform programmes. This thesis concludes by suggesting areas left unexplored by this study and outlining important questions for future research.

CHAPTER ONE

GOVERNANCE AND THE WORLD BANK

INTRODUCTION

In much of the development debate today, 'governance' is identified as a condition for economic growth and sustainable development. Good governance for the World Bank consists of the establishment of a sound and well-functioning market economy supported by an institutional environment that assures stable property rights, enforceable contracts, and transparency in public administration (World Bank 1994; 2000a). The recognition of governance as a development paradigm has been championed by the World Bank, and subsequently by other international institutions, heralding a new normative agenda and practices for development assistance.

This chapter explores the embodiment of new governance norms in the World Bank's development paradigm and operations. It is argued that the Bank's governance agenda is the manifestation of a new development framework that broadened the paradigm of liberalisation, deregulation and privatisation, identified with the Washington Consensus. In effect, new prescriptive and normative goals such as an effective and reliable legal system and the rule of law, efficient and transparent management of public funds, political accountability and the participation of citizen organisations are now part of the development agenda (Burki and Perry 1998; Kaufmann *et al.* 1999; 2002; World Bank 2001a; 2002). This chapter also argues that the adoption of new governance norms represents not only a critical break with the World Bank's traditional apolitical and technical approach to development, but also with its traditional operational strategies.

The chapter is divided into four parts. The first part traces the origins and theoretical underpinnings of the new agenda of governance promoted by the World Bank in the aftermath of the Washington Consensus. It explores three main trends which led the Bank to revise its development paradigm and to undertake a new agenda in response to the exigencies of the international political economy: (i) the negative consequences of economic reform programmes strongly advocated by international financial institutions in developing countries during the 1980s and early 1990s; (ii) a critical internal portfolio that prompted the perception that reforms were needed in organisational routine and practices in order to articulate a clear mandate for the Bank; (iii) the arrival in 1995 of a new Bank president, James Wolfensohn, and his commitment to new corporate strategies codified in the CDF and the Strategic Compact. These corporate strategies redefined the tasks and modalities of intervention of the Bank in the promotion 'good governance' for development.

The second part of this chapter focuses on two main components of the governance agenda, judicial reform and anti-corruption. It analyses the approach, reach and scope of these key areas of World Bank involvement in light of the CDF and the Strategic Compact.

The third part explores the main areas of institutional reorganisation undertaken within the Bank in order to retool the institution for the effective promotion of governance norms in its operational agenda. It also describes the new institutional infrastructure, internal networks and new financial and non-financial resources developed to that end.

The fourth part offers a discussion on the expanding role of the Bank in the promotion of development programmes via financial and knowledge-related strategies. This discussion precedes the analysis of knowledge management developed in Chapter Three. The chapter closes with some conclusions on governance and knowledge management as part of a major organisational and institutional change within the Bank, and speculates on the implication of these changes for the implementation of policy change at developing country level.

GOVERNANCE FOR DEVELOPMENT IN THE AFTERMATH OF THE WASHINGTON CONSENSUS

The changes in the World Bank's development agenda emerged out of critical scrutiny, both within and outside the Bank, of the negative results of the neo-liberal policy recommendations and economic adjustment promoted by the Washington Consensus in developing countries (Caufield 1996; Nelson 2000). The governance agenda promoted by the World Bank since the early 1990s evolved out of disenchantment with the economic paradigm framework of the Washington Consensus (Williamson 1990). Three main trends led the Bank to rethink and to undertake a new development agenda relevant to the exigencies of the international political economy.

First, the negative consequences of economic reform programmes strongly advocated by international financial institutions in developing countries during the 1980s and early 1990s raised serious questions about the role of international financial institutions, in particular the World Bank and the International Monetary Fund, in promoting sustainable development and growth (Edwards 1995; Birdsall and Graham 2000).

Second, critical internal portfolio reports, in particular the Morse Report and the Wapenhans Report, in assessing the World Bank's performance highlighted deficiencies in Bank compliance with internal procedures and low levels of return in project management as main issues affecting the World Bank's endeavours (Caufield 1996: 259-260; Woods 2000; Rich 2002: 27-28). These reports prompted the perception that reforms were needed in World Bank organisational routine and practices in order to articulate a clear mandate for the Bank in light of world economy and global demands.

Finally, the arrival of James Wolfensohn as president in 1995 signalled a new profile and agenda, moving toward an 'holistic approach' aimed at combining conventionally neo-liberal principles with new normative prescriptions for participation, transparency and accountability at different levels of authority (see World Bank 2000a; 2000b; 2001a). The fiftieth anniversary of the Bretton Woods institutions marked a turning point; the international campaign 'Fifty Years is Enough' called for more profound changes in

World Bank policies and procedures seized upon an opportunity by Wolfensohn to make his mark on World Bank history (see Danaher 1994 for a survey of the campaign).

Negative Results of the Washington Consensus

Rethinking governance and promoting good governance arose mainly from the Bank's bitter experience in the provision of development assistance in Sub-Saharan Africa and Latin America in the late 1980s. The failure to produce growth with equity in these countries, and the contrasting experience in those East Asian countries that experienced rapid levels of economic growth without following the blueprint promoted by the World Bank and the International Monetary Fund (IMF) confirmed the need to rethink the development agenda (Stiglitz 2002). In effect, the end of the Cold War, the 'triumph of democracy' and open markets on a global scale coupled with a progressive unease of international financial markets in regard to developing countries, prompted the implementation of market-oriented reforms throughout the developing world. The economic and political urgencies related to the economic crisis of the 1980s led these economies to pursue macroeconomic stabilisation programmes and macroeconomic reforms. By promoting new policy-based loans and technical assistance, the World Bank, the IMF and the regional development Banks fostered the efforts of governments in developing countries to develop market-oriented economies.

In the case of Latin America, the economic reforms introduced in most countries triggered a radical process of privatisation of public services, changes in regulations and an administrative decentralisation that dismantled the old state-centric economic model of the 1950s and 1960s (Cavarozzi 1994; Haggard and Kaufman 1994). These reforms, that followed the international financial institutions' economic paradigm known as Washington Consensus, were effective in leading the economies of developing countries toward financial restoration and a measure of economic recovery. However, high levels of poverty and inequality failed to fulfil the promise of the virtuous circle of macroeconomic reforms (Morley 1995; Birdsall and Graham 2000). In a decade, the levels of poverty and inequality in Latin America showed an alarming increase; from 1982 to 1993 the overall number of persons living in poverty increased from 78 to 150 million (Korzeniewicz and Smith 2000a: 2-6). Throughout the 1990s Latin America registered the highest levels of inequality in the world (*ibid.*).

Likewise, in a different context, but also facing adverse economic realities, the World Bank's adjustment policies in Africa were under scrutiny by international NGOs such as Development Gap and the African Women's Economic Policy Network, Oxfam, and the Structural Adjustment Participatory Review International Network, which claimed that structural adjustment programmes supported by the World Bank and the IMF failed to transform critical contexts into economic growth. Instead, these NGOs campaigns claimed, the economic reforms supported by the international financial institutions increased poverty, undermined food security, lead to unsustainable resource exploitation and provoked environmental and social unrest (see http://www.developmentgap.org. 2 February 2005). These conclusions were highlighted by the United Nations Economic Commission for Africa, which echoed the claims (see UNECA 1998).

The negative results after a decade of Washington Consensus prescriptions led the World Bank to recognise in its 1992 World Development Report (WDR) that macroeconomic and structural reforms had proved insufficient to meet the aim of poverty reduction in developing countries during the 1980s. The report shows, in effect, that all poverty measures worsened in sub-Saharan Africa, the Middle East and North Africa and Latin America and the Caribbean. At the same time, while the number of the poor increased in these regions, experience in East Asia, where governments did not follow the path prescribed by the Washington Consensus, was remarkably different (World Bank 1992a: 42). The fact that the economic performance of Japan and the East and South-East Asian countries was based on state intervention showed that when government action is directed at stimulating competitiveness it can work *for* the market rather that *against* it (Bresser Pereira 1995). In this context, the conservatism underlying the Washington Consensus ceded to a broader review of development economics, oriented more toward assisting the market than replacing it. On these premises, the debate in regard to the effective conditions for sustainable development on economic development was reopened among development economists, practitioners and scholars, and with it, a new consideration of the role of state institutions in economic development (Steward 1997; Fernandez-Arias and Montiel 1997; Stiglitz 1998a; 1998b; 2000; Easterly 2001).

According to Ritzen, the Washington Consensus was based on a series of misconceptions, most of which are related to a false separation of economics and politics from the theory of development economics. The failure of the Washington Consensus as the paradigm that structures the mission and mandate of the Bank is explained by its scant attention to the socio-political preconditions shaping the context in which structural adjustment programmes were undertaken (Ritzen 2005: 39-49).

The crisis of development economics and of the neo-liberal consensus was also related to a pervasive institutionalised pressure to lend within the World Bank. Strong institutional and individual incentives to lend resulted in weakening of implementation of social protection policies in favour of market-oriented reforms (Rich 1994: 225). This pervasive aspect of the Bank culture and the deficiencies of structural adjustment programmes were evaluation issues within the World Bank itself.

Internal Portfolio Reports and Revision of World Bank's Development Paradigm

In 1992 and 1993, two critical internal reports, the Morse Report and the Portfolio Management Task Force Report (known as the Wapenhans Report), assessed World Bank portfolio performance and pointed to the deficiencies in Bank compliance with internal procedures. These reports pointed out the need for reforms in World Bank organisational routine and practice, in order to articulate a clear mandate for the World Bank in meeting world economy and global demands. The Morse Commission Report and the Wapenhans Report exerted significant pressure from within, and was reinforced by external critical scrutiny from NGOs. The first portfolio review was authorised in 1992 by Barber Conable, president of the World Bank at the time. The Morse Commission was established to identify problems in the implementation and evaluation of the Sardar Sarovar dam project on the Narmada River in India (Udall 1999). The report not only identified serious flaws in World Bank policies on resettlement and environmental impact but, more alarmingly, found evidence of corruption linking World Bank staff and Indian government representatives during the implementation of the project (Caufield 1996: 23-29).

The second report, headed by Willi Wapenhans in 1992, revealed ineffectiveness in World Bank operational agenda and portfolio management, stressing the negative economic return of many programmes supported by the World Bank since the 1980s. In particular, it highlighted the limits of structural adjustment programmes in fostering growth and reducing poverty and questioned the orthodoxy that expected structural adjustment programmes to lead to economic growth (World Bank 1992c; Caufield 1996: 259-260; Nelson 2000: 413; Rich 2002: 27-28).

In this context, the Bank was urged to revaluate its development paradigm to consider broader dimensions leading to the goal of improving sustainable development, growth and the investment climate in developing countries. In its 1993 report, *The Asian Economic Miracle*, the World Bank restated the conventional case for limited state intervention and reconsidered other institutional and social goals by means of 'market-friendly intervention' of state institutions (Kiely 1998).

Reforming state institutions became the basis of the new development paradigm championed by the World Bank under the label of good governance. This paradigm advanced a normative definition of governance that was outlined in the Bank's 1992 report *Governance and Development*. This report defined 'good governance' as 'synonymous with sound development management' (World Bank 1992a: 2), and stated that:

> good governance is central to creating and sustaining an environment which fosters strong and equitable development, and it is an essential complement to sound economic policies. Governments play a key role in the provision of public goods. They establish the rules that make markets work efficiently and,

> more problematically, they correct for market failure. In order to play this role, they need revenues, and agents to collect revenues and produce the public goods. [...] This in turn requires systems of accountability, adequate and reliable information, and efficiency in resource management and the delivery of public services. (World Bank 1992a: 1)

The 1993 report to the Board, *Governance: The World Bank's Experience,* reinforced the normative aspects of governance, emphasising the links between good governance and predictable, accountable and transparent public sector management (World Bank 1994). Underlying the new approach was the idea that market reforms were not working in developing countries in part due to a lack of governance, which fosters corruption and a general disregard for the rule of law (*ibid.*).

The link between governance and development brought the role of state institutions back to the fundamentals of sustainable economic growth. The World Bank's 1993 report on governance acknowledged that sustainable development was inherently linked to 'the manner in which power is exercised in the management of a country's economic and social development' (World Bank 1989; 1994: vii). Several other World Bank research work on development policy have supported these tenets by arguing that rather than mistrusting the role of government in development, a paradigm closely associated with the Washington Consensus, government can actually be a positive agent for change insofar it can provide effective policies or services supplying the appropriate infrastructure for liberal free markets (World Bank 1999: 10-11; also Faúndez 1997).

The new institutional dimension in the World Bank's governance agenda reconciled the neo-liberal policy paradigm of downsizing the state promoted by the Washington Consensus with the 'post-Washington Consensus' development paradigm based on promoting the goals of good governance. According to Paliwala:

> [The institutions referred by this new framework] 'resonate with similar legal institutions of property, contract and legal infrastructure. Put simply the argument is that market unfriendly systems of property law, contracts and legal institutions can lead to an increase in transaction costs and therefore reduce the incentives to effective investment, production and trade. The state therefore plays a crucial role in structuring a friendly market. (Paliwala 2000: 4)

The World Bank governance agenda is the manifestation of new development thinking subsequently decoded into a new economic framework which broadened the paradigm of liberalisation, deregulation and privatisation by putting new emphasis on an effective and reliable legal system and the rule of law, efficient and transparent management of public funds, political accountability and the participation of citizen organisations (Burki and Perry 1998; Kaufmann *et al.* 1999; 2002; World Bank 2001a; 2002).

The World Bank's involvement in governance assistance, however, has not developed without seriously challenging the rationale of the World Bank's mission and mandate. According to the Operations Evaluation Department (OED):

> Throughout the 1980s and first half of the 1990s, the World Bank's senior management had an ambivalent attitude toward work in the areas of governance, institutional development, and public sector management. Within the Bank the dominance of economists, many recruited from academia and having little practical experience on public policy decision-making, meant that there has been a poor appreciation of these non-economic factors in the development equation. Many Bank staff also lacked experience of working within developing country administrations or, indeed, within any public administration.' (World Bank 2001c: 19)

The new governance agenda represents a radical departure from the economic blueprint underwritten in the Washington Consensus. Even the definition, reach and scope of governance were vigorously debated within the Bank, and still today governance is in modified terms: 'public sector governance, corporate governance, environmental governance' (Dakolias 2004: interview). Furthermore, governance 'required World Bank staff to consider new ways of conducting aid assistance, as well as to foster intra-bureaucratic coordination and cooperation to enhance the staff know-how' (Eriksson 2002: interview). Such were the circumstances when Wolfensohn arrived at the World Bank in June 1995. Governance for development and aid effectiveness furnished both the challenge and the opportunity for Wolfensohn to stamp his mark during his tenure as president of the Bank.

Retooling the Bank for the Promotion of Governance: the Stamp of Wolfensohn

By the time James Wolfensohn assumed the presidency of the World Bank in June 1995 there was general recognition that the Bank must renew its operational agenda (Pender 2001: 402). Wolfensohn's presidency (June 1995- May 2005) was urged from the outset to promote operational efficiency and ensure compliance with the Bank's original mission of poverty alleviation and sustainable development. In the midst of growing criticisms, the new president revamped the Bank's policy outlook and operational agenda. Immediately on taking up his position, Wolfensohn declared a commitment to participatory, social and environmentally sustainable development. This new rhetoric was materialised not only in new areas of intervention, but also in the development of new lending and non-financial instruments for the pursuit of new development goals.

In his 1996 Annual Meeting Speech Wolfensohn introduced a 'new paradigm' for development that stressed new social underpinnings and called for a 'broader, more integrated approach' to development. Consistently, a new comprehensive approach was stated in Wolfensohn's 1997 and 1998 Annual Meetings Speeches. This comprehensive approach to development was subsequently presented as the CDF.

The CDF represents a new approach toward three main targets: (i) promoting governance norms; (ii) building effective and accountable institutions to address development issues; (iii) implementing anti-corruption programmes in developing countries. The CDF was designed to embrace new objectives and instruments enforcing policy change beyond conditionality, especially when applied to politically sensitive areas of intervention such as public administration and state institutions. Joseph Stiglitz, a standard-bearer for the new development paradigm at the World Bank, characterised the development process as one of 'transformation' of society and its institutions. In his words: [the CDF represents] 'a movement away from traditional relations, traditional ways of thinking, traditional ways of dealing with health and education, traditional methods of production, to more *modern* ways' (Stiglitz 1998a: 3, emphasis in original; also World Bank 2001f). Development as transformation, as characterised by Stiglitz, associates economic development to efficiency in government management and institutional reform to economic development (Hood 1991; Polidano and Hulme 1999; Manning *et al.* 2000).

Some scholars saw the new approach to development framed within the CDF as a green light for the promotion of new political tasks and new intrusive conditionality (Kapur and Webb 2000; Santiso 2002). Furthermore, they claimed that for an 'apolitical' institution such as the World Bank governance contradicts the apolitical mandate which limited it to the promotion of economic development without interfering in the internal affairs of its borrowing members. As a task manager from the Public Sector Group commented, 'earlier staff resistance was associated with the political dilemma of how to promote new projects at the level of strategy without entering in discussions over democracy' (Hägerström 2002: interview). In effect, section 10 of Article IV of the World Bank's Constitutive Charter declares that 'the Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions' (World Bank 1992b: Art. IV, Section 10). As a consequence of the constraints imposed by its Constitutive Articles, the World Bank, like other multilateral agencies, favoured a 'technocratic approach to development' (Landell Mills 2003: 359).

However, the World Bank has overcome these contradictions by advancing a liberal economic agenda that does not focus on the political aspects of such reforms. To avoid legal issues or ambiguities in relation to its constitutive mandate, World Bank programmes have sought governance by improving the capacity of public administration and of state institutions leaving aside considerations of 'democratic' governance (World Bank 2000a; 2001a; 2002). As some scholars have pointed out, the conceptualisation of development within the World Bank represents a revisited market rationale by which economic development continues to be a technical policy question (Berger and Beeson 1998: 495-500; Kiely 1998; Fine 2002).

Achieving better governance within the CDF framework required actions to be taken on three main fronts: political and bureaucratic accountability, the rule of law and civil society participation (Woods 1999; Casaburi *et al.* 2000; Kaufmann *et al.* 1999; 2002). Enhancing accountability in the public sector has been one of the main pillars of the World Bank's governance agenda. In this concept, new programmes, such as public expenditure analysis, tax administration, civil service reform, regulation, decentralisation, and legal, and judicial reform, have expanded rapidly (World Bank 2001a; 2002). The promotion of accountability in public sector management has also involved a new operational framework relating to upgrading information and communications technology systems within the public sector, improving or creating transparency mechanisms in public service delivery and the use of public funds (Panzardi 2004: interview).

In relation to the rule of law, the World Bank has embarked on activities to revise regulatory frameworks, strengthen institutions, give legal training and technical assistance to the judiciary, and to improve the information systems of the judicial system through the creation and development of anti-corruption programmes. The definition of the rule of law as a precondition of development focused simply on its formal institutional dimensions, ignoring informal arrangements linked to the legal culture, normative settings and political considerations of access to justice (Tuozzo 2004). As the World Bank stated:

> Clearly, the concern here is not with the exercise of state powers in the broad sense but specifically with the appropriate management of the public sector and the creation of an enabling environment for the private sector. It is a concern for rules which are actually applied and institutions which ensure the appropriate application of these rules, to the extent that such rules and institutions are required for the economic development of the country and in particular for the sound management of its resources. (World Bank 1997a: 24)

In the agenda of the World Bank, the rule of law comprises the improvement in property rights and contracts enforcement, and in the strengthening of the business environment. For these purposes, different World Bank units have been actively involved in programmes promoting legal and institutional reforms within the judiciary, efficient judicial management and the reduction of institutional corruption via the creation of Judicial Council and anti-corruption offices as well as through the implementation of new anti-corruption mechanisms (World Bank 2001b).

The World Bank's involvement in governance assistance has not unfolded without seriously challenging the rationale of the Bank's mission and mandate. Despite being carefully justified in terms of 'creating the institutional environment that enables private investment' (see Shihata 1991 quoted in World Bank 1992a: 5) the implementation of governance, in particular programmes related to judicial and anti-corruption reforms, has challenged the World Bank's apolitical mandate of non-interference in affairs of domestic politics (Santiso 2002; Marquette 2004). Given that the nature of governance reforms is at the heart of political and institutional issues and that it interferes with domestic politics and the institutions of the state, the adoption and promotion of such a normative, politically sensitive agenda required the Bank to adjust its institutional and operational bases. The way the World Bank got around this issue was by creating new instruments that complemented traditional (and mostly intrusive) conditional loans with non-financial tools inherently related to exerting influence by other means.

To adapt the functioning of World Bank units and divisions to new developmental goals, a new corporate strategy was designed, and in turn a new institutional infrastructure created. In 1997 Wolfensohn proposed an internal budget increase to the Board of the Bank to launch what was the most radical reorganisation of the institution since its inception. This reorganisation was based on a proposal that was later known as the Strategic Compact, a corporate strategy that highlighted three main institutional changes: (i) new procedures and operational guidelines for staff involvement in new areas of assistance; (ii) a knowledge management system oriented toward World Bank staff for enhancing know-how in programme performance; (iii) new financial and knowledge-related activities oriented toward local actors in developing countries to enhance the reach, the legitimacy, and the prospects of governance-related reform on the ground (World Bank 1998a: 1; see Chapter Three).

The Strategic Compact, endorsed by the Board of Executive Directors on March 31 1997, proposed a major reorganisation programme aimed at renewing and increasing effectiveness in Bank operations, acknowledging the issues that were raised in the internal portfolio assessments (World Bank 1992c). For instance, the Wapenhans Report drew attention to the internal procedures and task managers' incentives toward project disbursement that disregarded contextual factors that could endanger the quality of programme implementation. The Strategic Compact attempted to reverse the Bank's bureaucratic culture and the 'pervasive *disbursement imperative approval culture*' that neglected a result-oriented approach based developing countries contextual characteristics and priorities (Weaver *et al.* 2004: 10, emphasis in original). The Compact's main objectives were therefore: (i) to improve product design toward more country-specific lending and non-lending programmes; (ii) to lower costs through decentralisation of management and staff to specific field offices, delegating administrative budgetary control to Country Directors and strengthening staff capacities; (iii) to reallocate resources to priority operations investing in new or previously neglected sectors, such as social, environmental and governance-related projects; (iv) to increase effectiveness through the delivery of financial and knowledge-related activities (World Bank 2001d).

In short, while the CDF redefined the Bank's concepts and the priorities in terms of development norms, the Strategic Compact provided the justification and the tools for its involvement in new activities in politically sensitive areas such as financial sector services, judicial reform and anti-corruption programmes. Although some of these areas were already part of the operational agenda of the Bank, the Strategic Compact reinforced the involvement of the Bank in governance-related reforms. The next section focuses on two main aspects of the governance agenda: judicial reform and anti-corruption.

GOVERNANCE, JUDICIAL REFORM AND ANTI-CORRUPTION

During the democratisation process of the early 1980s, Latin American countries embarked on a comprehensive restructuring of political rules. The process of political openness was followed by an equally comprehensive redefinition of the rules governing economic policy. The World Bank accompanied this process by promoting policy-based loans and institutional change. In the case of Latin America, it was considered that 'non-predictability of the judiciary' and inefficient public management were the major obstacles inhibiting the development of the economy and external investment flows (i.e. Dakolias 1996; Buscaglia 1997; Shihata 1997; Hammergren 1998a; La Porta *et al.* 1998).

Among the international financial institutions the role of the World Bank has been critical in shaping the agenda of judicial reform and anti-corruption in the region. Initially, the U.S.A government, and other multilateral and bilateral donors viewed civil justice reform as part of a larger effort to consolidate the rule of law in Latin America (Blair and Hansen 1994). Particularly important among these efforts were those of the United States Agency for International Development (USAID) to support rule of law programmes in developing countries (Hammergren 1998b). However, it is the World Bank, since its first freestanding project on judicial reform in Venezuela in 1992, that has championed the agenda of judicial reform and anti-corruption.

Within the new governance agenda, judicial reform and anti-corruption became key priorities of World Bank involvement (World Bank 2001a: 99-132; 2001b; Dakolias 1996; Buscaglia 1998). The Bank's agenda for judicial reform and anti-corruption brought in and reformulated earlier conceptual contributions of the 'Law and Development' movement (Faúndez 1997; Messick 1999). This movement represented an epistemic community of academics and practitioners, which in the 1960s established a programme that emphasised the role of law in social change (*ibid.*). However, while the old movement conceived the state to be the motor of social change, the World Bank's approach to governance considers the legal system as a mere facilitator for market transactions by means of enforcing property rights, contracts and maintaining law and order (Shihata 1995: 9; Faúndez 1997: 13-14; Castelar Pinheiro 1998: 8; Dakolias and Said 1999).

As previously argued, the promotion of judicial reform and anti-corruption within the World Bank was part of the redefinition in development thinking of the conditions that sustain economic growth. In developing countries this agenda took the form of a 'post-Washington Consensus' (see Burki and Perry 1998, Stiglitz 1998a). The promotion of reforms in politically sensitive areas was carefully justified, however, in economic terms since the reforms were aimed at modernising the institutional setting to enable private investment. Empirically, it has been argued, for instance, that firms operating in a context of better performing courts have enjoyed greater access to credit (Dakolias 1996). On the contrary, weak judiciaries and unstable laws were claimed to create unfavourable conditions for the investment climate as they foster administrative discretion and dysfunctional economic outcomes (Levy and Spiller 1994; Messick 1999).

The Bank's approach to judicial reform stresses a distinctive place of law and institutions in making the economy more efficient (Landell Mills 2003: 359). The Bank's framework, in effect, has purposely evaded political and social concerns about *distribution of justice*. According to Trubek there are two reasons why distributional issues were downplayed. First, the rule of law simply creates a framework for efficient allocation of resources and does not itself have distributional consequences. Second, in robust neo-liberal economic thought, distributional issues are generally downplayed (Trubek 2003).

Prior to 1990, the Bank was not actively engaged in the area of judicial reform, although there had been some legal advice with drafting or revising economic and commercial legislation and regulations. In fact, before the mid-1990s the Bank's involvement in legal and judicial reform was subsumed in operations promoting effective management of public resources (World Bank 2004a: 3-4). Management of public resources were, accordingly, related to traditional programmes of structural adjustment supporting the liberalisation of markets, trade policies and exchange regimes, as well as the privatisation of public enterprise and reform in service delivery (*ibid*). The task of modernising and adjusting judicial and legal systems was first undertaken in Latin America but it was not confined to this region. In fact, it had also been implemented in other emerging economies in Eastern Europe and most recently in the Arab region, with the cooperation of the United Nations Development Programme (UNDP) (Malik 2004: interview; also http://www.pogar.org. 1 February 2005).

Another cardinal aspect of the governance agenda is the issue of anti-corruption. Although curbing corruption was acknowledged as a priority in rule of law strategies in early World Bank reports, it was not until the second half of the 1990s that anti-corruption was incorporated as a component of the Bank's operational agenda. While judicial reform projects have, in effect, been sponsored by the World Bank sine early 1990s, these have not included anti-corruption components until more recently.

Since 1996, when Wolfensohn in his Annual Meetings speech highlighted corruption as a major obstacle to development, the Bank's agenda has extended governance goals to include anti-corruption programmes for developing countries (Wolfensohn 1996). Corruption was explicitly recognised by the World Bank as an obstacle to development in the 1997 report *Helping Countries Combat Corruption: The Role of the World Bank*. This report systematised concerns about corruption and proposed that corruption should be explicitly taken into account in country analysis, lending decisions, and in portfolio supervision. Although more normative than prescriptive, the comprehensive anti-corruption strategy has five pillars: (i) preventing fraud and corruption within World Bank projects; (ii) helping countries to reduce corruption; (iii) taking corruption more explicitly into account in country assistance strategies and country-level initiatives; (iv) adding voice and support to international efforts to reduce corruption; (v) protecting the Bank from internal fraud and corruption (World Bank 1997a; Aguilar *et al.* 2000). Paradoxically, this report recognised the previously-rejected anti-corruption approach proposed by Peter Eigen, founder of Transparency International, when he was World Bank Manager of programmes for South America and Africa.

As for the Bank's intervention in anti-corruption programmes, this was more difficult to justify economically although some scholars were very alert to the effects of corruption on democratic consolidation and social development (O'Donnell 1999). In addition to the World Bank's mandated restrictions, the involvement of international financial institutions was sometimes limited by governments in developing countries, who appealed to the non-interference clause for their own political reasons (Blair and Hansen 1994). As a consequence, much of the work done during the first half of the 1990s focused on the institutional aspects of the modernisation of the judicial administration rather than on promoting anti-corruption policies (Gonzalez de Asis 2004: interview). The 1997 report and several succeeding studies demonstrated that corruption is likely to be costly in terms of economic efficiency and economic growth, since corruption lowers investor confidence (Buscaglia and Dakolias 1996). Moreover, confronting corruption was considered complementary to reforming the judiciary.

Operationally, from 1997 on, the leadership of Wolfensohn as president of the World Bank has supported more than 600 anti-corruption programmes in nearly 100 borrowing countries. It has also mainstreamed anti-corruption issues into Country Assistance Strategies (World Bank 2004a: 3). Of these programmes, 16 are 'freestanding' active projects in four regions, the case of one being judicial reform in Argentina (World Bank 2004a: 4, 51). Other World Bank registries reported that:

> while in 1980 only 0.6 percent of Bank lending went to projects supporting core public sector reform, by fiscal year 2000 this share had risen to 16 percent. Public sector reform refers to projects with public expenditure and financial reform components, adjustment loans with anti-corruption or fiscal transparency, these in particular increased from 8 percent in fiscal year 1998 to an estimated 50 percent in fiscal year 2000. (http://www.worldbank.org.cn/English/Links/corruption.htm. 1 February 2005)

As for non-financial activities related to judicial and anti-corruption programmes, the Bank has supported research activities in the form of sector assessments and diagnostic work, which are usually used to design project components for future lending programmes. Up to 2004, the Bank completed 25 legal and judicial sector assessments; one of these diagnostic works was undertaken in Argentina between 1993 and 1995 (World Bank 2004a: 4-5, 89). Other knowledge-related activities have included: (i) the launch of the Development Gateway for Law and Justice, which provides an electronic clearing house for legal and judicial reform; (ii) electronic forums and international conferences to link experts and continue discussions on current issues in legal and judicial reform; (iii) international conferences and the participation of official delegates in conferences organised at the level of Supreme Courts (*ibid*: 10-11). The institutional reorganisation carried out since 1997 following the adoption of the Strategic Compact gave new impetus to the agenda of governance and to the adoption of new financial and non-financial means to reach these goals.

The next section explores the main institutional reorganisation undertaken within the Bank in order to retool the institution for the effective promotion of governance norms within the Bank's operational agenda. This reorganisation has been critical not only for the development of new instruments for promoting governance in developing countries, but also to the way different units within the Bank work promote judicial reform and anti-corruption programmes.

PROMOTING GOVERNANCE WITHIN AND OUTSIDE THE WORLD BANK

Although the discourse and practice of the World Bank on governance and institutional reform have been largely constructed and justified based on the theoretical underpinnings and empirical research that endorse the idea of governance for development, the economic rationale of institutional reforms is inherently a political undertaking because it affects public affairs of the state (Boeningher 1992; Santiso 2003). Constrained by its constitutive mandate, the World Bank is precluded from involvement in internal political affairs. Therefore, as suggested by the analysis of this thesis, while international funding is pivotal for defining the agenda of reforms, the appeal of local actors to the 'non-interference' clause can jeopardise the course and depth of reform implementation. In other words, the promise of funds usually acts as catalyst for the emergence of policy proposals, but while they represent a strong incentive, financial resources are not necessarily the determinant factor for the implementation of a policy on the ground.

This claim presupposes the two main positions to be developed in the empirical analysis undertaken in Chapters Five and Six for the cases of judicial reform and anti-corruption in Argentina. First, that the ability of the World Bank to promote governance-related reforms relies not only on the Bank's control of financial resources, but also on its capacity to persuade key actors within and outside the Bank to undertake politically sensitive policy changes. Second, that the leverage of the World Bank in imposing a certain political economic paradigm is to be seen not in the extent to which a policy programme is negotiated and approved by the government and World Bank officials, but rather in the extent to which political economic paradigms are implemented in effective institutions that rule policy areas in developing countries.

These arguments assume that the power of the World Bank to influence policy change in developing countries is a process that entails not only the *transfer* of ideas but also their *institutionalisation*. Even so, changing state institutions such as the judiciary, or adopting highly political measures such as anti-corruption policies can contradict the Bank's apolitical mandate of non-interference in the internal affairs of borrowing countries. In order to meet the new exigencies of market economy and foster sound state institutions in developing countries, lending instruments of the Bank were complemented with knowledge-related activities for the articulation, diffusion and reproduction of consensual ideas over certain policy paradigms (see Chapter Three; also Gilbert *et al.* 2000; Squire 2000). As thoroughly explored in Chapter Three, activities such as training courses, distance learning activities and policy-oriented publications are less intrusive instruments and can help to create incentives among staff and local actors in developing countries to promote governance reforms.

Reforming World Bank operations and procedures was at the heart of the CDF and the Strategic Compact. These corporate strategies aimed at developing functional links between the 'financial institution' and the 'knowledge bank' in order to enhance effectiveness in aid assistance. In other words, the World Bank's analytical work was seen as an important a tool that not only justifies and legitimises but also reinforces the promotion of new development goals. In other words, knowledge developed within the Bank became a centrepiece for the achievement of this goal since it enhances the capacity of the World Bank to influence how economic policies are perceived, measured and implemented in developing countries.

As governance became a focus of the World Bank development strategy more and more of its senior economists and staff in general contributed to a body of literature on the topic (see for instance the work of Cheryl Gray, Ricardo Haussman, Ibrahim Shihata, Richard Messick, Maria Dakolias and Linn Hammergren). Bank research projects and publications not only underlined the importance of good governance for development but also reinforced the World Bank's central discourse on 'good' governance. The work of the Bank's Economic Research Group, in particular the WDR, was critical in this aim as it defined the approach and involvement of the World Bank in governance-related reforms (McNeill 2004: 110, also Chapter Three, Part Two).

Paradigmatic among these are: the *WDR 1997: The State in a Changing World*, outlining the agenda for action to improve the performance of governments; the *WDR 2000/2001: Attacking Poverty*, which develops the discussion on the importance of good governance and effective public sector institutions for poverty reduction and outlines procedures to improve the efficiency and effectiveness of those public institutions that contribute to a sound economic role of the state; the 2000 and 2002 *Reforming Public Institutions and Strengthening Governance*, systematising the work done by the World Bank on governance-related programmes and outlining the way forward in accordance with the new corporate strategies introduced in the CDF; and the *WDR 2002: Building Institutions for Markets*, which specifically defines 'good' governance as including 'the creation, protection and enforcement of property rights, without which the scope for market transactions is limited' to introduce the absence of corruption and judicial efficiency as important pillars in the development of market economies (World Bank 1997b; 2000a; 2001a: 99, 117-131). Similarly, the World Bank's publication *Reforming Public Institutions and Strengthening Governance* proposed a proactive role for the Bank fostering governance and institution-building in developing countries placing specific emphasis on the promotion of judicial reform and anti-corruption programmes as main components on the new development agenda (World Bank 2002).

It was increasingly accepted both within and outside the Bank that development is impossible without effective institutions, or at the very least produces only sub-optimal outcomes (Burki and Perry 1998; Kapur 1998; Birdsall 2001). The new normative goals embraced in 'governance for development' led World Bank to modify several of its norms and routines, and to define new priorities in development assistance to complement the ongoing economic adjustment implemented by most developing countries.

Externally, the credibility and legitimacy of the World Bank's governance agenda has been reinforced by new theoretical debates within the academic community in the fields of political science and development economics. Some authors argued that the extent to which governance-related ideas have become part of development economics is associated with the fact that these ideas were supported and contested in both academia and policy domains (Bøas and McNeill 2004; Tuozzo 2004). Nobel Prize economist Douglass North and other supporters of the New Institutional Economics suggested that the nature and effectiveness of a country's institutions are critical to the development process because they set the environment within which an economy performs (Williamson 1985; North 1990; Harris and Hunter 1995).

Implicit in this concept is the idea that in an international political economy, characterised by an increasing integration of markets, those countries that establish 'cost-effective' institutions provide the appropriate environment for markets to develop. Defined this way, institutions provide incentives for interaction between organisations and the social agents affecting their policy outcomes. Effective institutions provide a predictable and stable environment, setting the 'rules of the game' for the exchange among socio-economic agents (North 1990: 1-7). Accordingly, the institutional framework and its mechanisms of law enforcement comprise a certain governance order that facilitates sustainable development.

Institutionally, in order to translate these ideas into practice, four major initiatives were launched: (i) new financial resources; (ii) internal networks and thematic groups among Bank staff for knowledge activities; (iii) internet and intranet resources to develop global knowledge-sharing vehicles; (iv) external knowledge management activities engaging practitioners, scholars, experts and key actors from developing countries.

New Financial Resources

Among the most relevant new financial instruments created in this context are (i) Adaptable Program Loans; (ii) Programmatic Structural Adjustment Loans; (iii) Poverty Reduction Support Credits. These lending strategies consist of funds conditional upon the implementation of goals within a certain time frame. Other lending instruments developed to support and promote learning and innovation during the implementation of projects include Learning and Innovation Loans (LIL), usually based on smaller operations for institution-building and technical assistance. Finally, grant-based programmes, non-refundable, such as the Institutional Development Facility (IDF) were adopted for the support of institutional reforms. These financial instruments have been mainly developed and managed by operational units for the implementation of reform programmes. To complement the adoption of these financial instruments, a major restructuring within the Bank led to the channelling of the World Bank staff's 'know-how' into the creation of what is usually referred to as 'internal networks'.

Internal Networks and Thematic Groups

Internal networks involve activities with staff across units and were created to provide expert support services to World Bank staff in relation to the new development paradigm and governance-related goals. They were also created as a mechanism of cooperation and coordination among a large and complex bureaucracy within the Bank. These internal networks were set up by experts and complemented the work of the 22 development sectors addressed under World Bank lending and are shared by all Regional Offices. These new networks have enabled Bank staff to codify knowledge and specific definitions of policy problems. They are: Environmental and Socially Sustainable Development (ESSD), Human Development (HD), Finance and Private Sector Infrastructure (FPSI) and Poverty Reduction and Economic Management (PREM). This last one focuses on governance-related issues (World Bank 1998a).

These internal networks are situated between research and policy, since they cut across operational units but work in close cooperation with research units. The two main goals of the networks as outlined in World Bank documents are, first, to create internal feedback and learning mechanisms enabling World Bank staff to respond to new interests and the problems of member states as they embark upon the reform process; second, to disseminate theoretical and empirical research within the broader international development community.

As detailed analysed in Chapter Three, other activities were undertaken to facilitate the transfer of knowledge based on staff experience and lesson drawing practices. These initiatives included the establishment of thematic groups and advisory services as channels for the dissemination of knowledge on shared problems among World Bank staff and external actors. Currently there are some 80 thematic groups. These thematic groups articulate information generated outside and within the Bank in specific development areas, such as Administrative and Civil Service Reform, Anti-corruption, Decentralization, and Public Expenditure Analysis. The internal networks and thematic groups also coordinate knowledge activities with the WBI.

Internet and Intranet Resources for the Development of Global Knowledge

By the end of 1999 these activities were complemented by an expanded use of the Bank's Internet and Intranet to develop global knowledge sharing outside the Bank. The GDN was launched by the World Bank in December 1999 initiating activities with the backing of the World Bank's Development Economics Vice Presidency. Institutionally, the GDN was considered a centrepiece of knowledge activities engaging development academics and practitioners, strengthening the capacity of, and bridging the gap between, research and policy processes in developing countries. In advancing these objectives, the GDN not only developed strategies of knowledge sharing but also provided financial support to regional research networks. The GDN received strong support from both the Vice Presidency and from World Bank President James Wolfensohn (Stone 2000; World Bank 2003; www.gdn.org. 25 September 2004).

The Development Gateway, a portal for development issues, was created in 1999 for the dissemination of studies and information, exchange of services and collaboration on new strategies and programmes among its main beneficiaries: governments, the private sector, civil society organisations and donor organisations (Walker 2003). The Development Gateway also offers disaggregated knowledge by countries through its 'Country Gateway' (www.gateway.org 25 September 2004).

Other channels of knowledge diffusion were introduced, and external outreach promoted, through the articulation of global knowledge networks. Paradigmatic among such initiatives is the Global Development Learning Network (GDLN). The GDLN consists of a network of distance learning centres connecting different countries simultaneously through videoconferencing and Internet facilities. The GDLN supports knowledge sharing and learning through distance learning courses, seminars, and cross-country dialogues among decision-makers dealing with development issues of common concern (www.gdln.org. 25 September 2004). Other relevant initiatives are Indigenous Knowledge, Development Forum and Web-casting for Development (B-SPAN).

In addition, World Bank research units such as the WBI and the DECRG have been reinforced intellectually and financially to complement the work of the operational units. These research units have acted as hubs offering research-based evidence, learning and capacity-building programmes and workshops for borrowing government officials and World Bank staff on topics such as anti-corruption, legal reform and public expenditure review (see Chapter Three). In summary, the World Bank has gradually expanded its role in the global economy and became a provider of financial and non-financial services to advance new institutional reforms (Gilbert *et al.* 1997; Stone 2000).

RETHINKING THE ROLE OF THE WORLD BANK

Although the World Bank has always played a major role as a source of ideas for economic and social development, Wolfensohn made explicit the contribution of the World Bank to development assistance; it would rely not only on its financial bases but would amplify these by the production and dissemination of knowledge on what constitutes good development policies (Gavin and Rodrik 1995; Stern and Ferreira 1997; World Bank 1999). Some scholars have pointed out that Wolfensohn's declaration of the Bank as 'Knowledge Bank' also helped to mitigate critiques from influential actors within the donor community who pointed to the decline in the World Bank's overall lending portfolio (Caufield 1996; Pincus and Winters 2002).

The renewed focus of the World Bank as a provider of financial and non-financial services, however, not only conferred on the Bank a new justification for its existence, but more importantly it opened new ground for the Bank to intervene in broader areas of reform by means other than financial conditions. From this perspective, knowledge management within the World Bank has helped to shape, justify and legitimate new goals in development assistance.

Since the World Bank has the capacity to combine its economic leverage and ideological influence it is likely to reinforce power relations by means of financial and non-financial strategies, especially in politically sensitive areas such as those related to governance. By combining traditional funded programmes with new non-financial activities the World Bank enhances its power to persuade key local actors of the 'advantages' of, for example, pursuing governance reforms (Stone 2000; Nustad and Sending 2000). The development of knowledge management as a mechanism of development aid assistance was established at a critical moment within the World Bank as it arrived in the midst of growing doubts regarding World Bank purpose and effectiveness of funding opportunities of the multilateral agency (Kapur and Webb 2000: 18; Pincus and Winters 2002). Some argued that the World Bank embraced a twofold institutional rationale as a financial and intellectual institution to reposition itself within the international political economy (Stein and Ferreira 1997; Gilbert and Vines 2000; Pincus and Winters 2002).

But rather than searching for a new role in the international political economy, the mobilisation of knowledge has become a critical resource for the broadening consensus and legitimacy around new issues that are closely related to political and institutional reforms in developing countries. Knowledge, in effect, represents a powerful source that legitimises the terms of debate for the establishment of certain policy paradigms and at the same time delegitimises competing conceptualisations and policy approaches (Sending 2004: 59). As argued in Chapter Three, through the creation and support of certain policy ideas the World Bank 'frames' the ways in which major topics in development and development economics are conceptualised and packaged for policy implementation (also Bøas and McNeill 2004). Furthermore, the World Bank's financial weight and authority as a multilateral development institution confers the Bank with a unique capacity to combine its knowledge-based predicaments and financial strategies in pursuit of politically sensitive reforms in developing countries.

However, it must be acknowledge that while knowledge-related activities as well as financial resources have helped the Bank to create and reproduce consensual ideas over certain policy paradigms, the World Bank itself is not a uniform institution so that governance and knowledge have not been uniformly adopted by its different units. Design and management of governance-related reforms have been concentrated in the Legal Vice Presidency Unit of the World Bank and in the PREM network, while the DECRG and the WBI concentrated on policy research and training respectively. In terms of operations in respect of developing countries, in general it can be argued that while judicial reform programmes have been mainly developed by the Legal Vice Presidency unit, anti-corruption programmes were particularly supported by the PREM and the WBI. That is, the World Bank's Legal Unit focuses mainly on the provision of legal advice on the operational aspects of project preparation and implementation, as well as in the preparation and negotiation of World Bank lending operations. The PREM develops a more complex agenda that, in contrast to the Legal Unit, incorporated anti-corruption programmes and support for institutional strengthening beyond the judiciary (also to reach other state institutions such as parliaments, for example). In fact, the anti-corruption agenda was formalised in the Public Sector Group of the PREM in 1997. According to Michael, the Bank's report *Helping Countries Combat Corruption* represents 'one of the first *consensus positions* of the Bank's various project managers and departments, which before had produced a stream of separate publications produced by individual departments' (Michael 2004: 1080, emphasis in original).

As an emerging trend, the work of the PREM in governance-oriented programmes has introduced new non-lending instruments and tools for policy-making such as seminars, workshops, help-desks, in addition to joint research programmes with local experts and other analytic products such as Institutional and Governance Reviews (IGR), Public Expenditure Reviews (PER), Social and Structural Reviews (SSR), and Poverty Reduction Strategy Papers (PRSP), as well as country-specific corruption surveys of households, firms and public officials (World Bank 2000a; 2002; also http://www1.worldbank.org/publicsector/toolkits.htm. 5 December 2005).

The work of the Legal Department on issues of judicial reform has exhibited a greater concentration of activities on guidelines stemming from lesson-drawing and comparative analysis based on previous experiences of Bank involvement in other countries. Guidance for staff on how to address judicial reform projects was provided by lawyers from the Legal Vice Presidency, which task managed, or co-task- managed with staff in the regions, a number of legal and judicial reform operations (World Bank 2004b). Most of these documents have been authored or co-authored by the team leader of the Legal and Judicial Reform Group of the Legal Vice Presidency and the task manager of judicial reform in Argentina. Some examples of these publications are:

- *Judicial Reform in Latin America and the Caribbean* (Rowat, Malik and Dakolias, Technical Note 280, 1995)
- *An Analysis of the Causes of Corruption in the Judiciary* (Buscaglia and Dakolias, 1999)
- *Comparative International Study of Court Performance Indicators* (Buscaglia and Dakolias, Legal and Judicial Reform Series, 1999)
- *Judicial Reform in Latin American Courts: The Experience in Argentina and Ecuador* (Buscaglia and Dakolias, Technical Note 350, 1996)
- *Court Performance around the World* (Dakolias, Technical Note 430, 1999)
- *The Judicial Sector in Latin America and the Caribbean: Elements of Reform* (Dakolias, Technical Note 319, 1996)
- *Judicial Reform: A Process of Change Through Pilot Courts* (Dakolias and Said, Legal and Judicial Reform Series, 1999)
- *Legal and Judicial Reform: Strategic Directions* (Legal Vice Presidency, 2003)

This survey is a clear indicator of the concentration of expertise in judicial reform in one operational unit within the Bank, the Legal Vice Presidency Unit. The possible risk of this situation has been acknowledged by a World Bank official from the PREM, who recognised that donors create, shape and promote programmes that do not always, or necessarily, reflect the concerns of local counterparts but rather what is considered 'best practice' in Bank policies (Hammergren 2004: interview). The cases for judicial reform and anti-corruption in Argentina, analysed thoroughly in Chapters Five and Six, show how the different approach to and promotion of governance between different units of the Bank was manifested in the ways and extent to which operational activities in developing countries combined training and knowledge-sharing activities and the delivery of funds for judicial reform and anti-corruption. Likewise, the patterns of involvement of World Bank staff in governance reforms in Argentina differed in the ways task managers defined their main constituency and their exchange on the ground (see Chapters Five and Six).

Yet, as Kahler claimed in his analysis of the role of the IMF, 'whatever its financial leverage, the IMF [and in the case of this study the World Bank] cannot implement its own programmes' (Kahler 1993: 376). Reform of judicial institutions as well as the adoption of new anti-corruption programmes is far more difficult to implement than traditional reform in infrastructure or economic policies. The fact that legal institutions are embedded in political, historical contexts and state politics makes reform much difficult to achieve, either because local actors oppose reform programmes that resemble a 'legal orthodoxy' imposed by external actors, or because the lack of political will on the part of those who are at the core of the policy-making process inhibits the implementation of programmes, even after loan approval (Hammergren 1998b; Dezalay and Garth 2002). As Messick observed, two World Bank loans for judicial reform in Bolivia and Argentina in 1995 and 1997 respectively, promised dramatic changes within five years, forecasting rapid development of new methods and procedures for managing courts and case flow. However, he argued, 'in neither instance have the results been anywhere close to these predictions. The Bolivian project produced only modest results, and six years after the Argentine project was approved it remains stalled thanks to infighting among the political parties' (Messick 2004: 6).

This is even more the case for middle-income countries like Argentina, that in contrast to the experience of the 1980s during the debt crisis, in the 1990s recovered their economic and political stability and can appeal either to un-conditional financial resources from the international private market or use World Bank conditionality as catalyst to accelerate the process and overcome internal opposition, in turn legitimising the government agenda (Casaburi *et al.* 2000: 512). In this context, Bank officials need to engage in strategies of incentive-creation in order to create pro-reform forces at the local level and identify local champions fostering political commitment to reform implementation (Myers 2004: interview).

The cases of judicial reform and anti-corruption programmes in Argentina, empirically analysed in Chapters Five and Six, prove that in studying the role of the World Bank in the promotion of governance-related norms it is important to consider that the leverage of the World Bank in a country rests not only on the volume of its portfolio or its transfer of funds, but also on its capacity to engage with local actors to advance institutional and policy reforms by means of knowledge-related and networking activities. Non-financial instruments can be in the engagement with local actors in pro-reform networks for the diffusion and implementation of politically sensitive goals. In other words, although World Bank conditionality is an important factor in explaining the power of external influence dictating certain reforms into the government's agenda, it does not explain the extent to which those reforms can be implemented and materialised in policy change. International financial institutions can transfer ideas that legitimise certain policy preferences and funds that can make them happen, but the ways and extent to which policy change occurs depends on pro-reform engagement with local actors in the materialisation of ideas and interests on the ground.

From this perspective, Chapters Five and Six analyse the cases of judicial and anti-corruption reforms in Argentina to demonstrate that the implementation of governance-related goals depends on the ability of the World Bank staff to act as a 'norm-broker', promoting, disseminating and implementing new norms of development through a combination of lending strategies and knowledge-related activities. Knowledge is a powerful resource as it defines terms of debate, legitimises policy priorities, and justifies the intervention of international institutions in new areas of policy reform. Furthermore, knowledge within the World Bank takes on a political dimension as it is instrumental in the transfer of ideas and money sustaining in-country programmes. Nevertheless, the ability of the World Bank to translate knowledge into policies and institutional forms depends on its capacity to act as an effective norm-broker engaging in with local actors to reproduce ideas and practices on the ground.

To further this analysis, the next chapter, Chapter Two, develops the theoretical framework for the study of the role of the World Bank in governance-related reforms in Argentina. The framework developed for this purpose departs from traditional studies of world politics that have mostly tended to emphasise coercive aspects of power of international organisations influencing policies in developing countries. This thesis argues that the World Bank can actually act as a 'norm-broker' if it is able to draw on both its financial and knowledge resources to build and consolidate 'pro-reform networks' with local actors. Furthermore, by engaging in networking activities Bank staff amalgamate World Bank and local actors' contending interests, ideas and agendas to ensure the implementation of politically sensitive reforms on the ground.

CONCLUSION

This chapter has analysed how governance-related norms developed a new substantial and operational agenda in the rhetoric and practices of the World Bank. It also explored the institutional reorganisation undertaken within the Bank for the promotion governance norms. In doing so, it argued that the adoption of new governance norms represented a critical break with the World Bank's traditional apolitical and technical approach to development.

Since the mid-1990s, new development goals related to public administration and institutional reforms in developing countries attempted to shape social relations and institutions to make markets more competitive. Enforcement of law, transparency and accountability were considered 'good governance' goals, as they enhance the predictability of state institutions and political settings for economic activities in developing countries. The promotion of new governance-related goals, it was argued, led the way for the Bank to extend its scope to new areas of intervention beyond its traditional agenda, and to adopt new lending and non-lending strategies into its development assistance. In this context, a knowledge management system was developed articulating creation and diffusion of knowledge with lending practices, making the flow of ideas consistent with the flow of lending.

This analysis does not, however, assume that the World Bank is a monolithic, homogenous, uniformly coordinated entity that experienced and adopted changes evenly across units. Changes in the Bank's agenda and operational instruments have not been uniformly adopted throughout the World Bank. Some units within the World Bank Group have been particularly opened to adopt new practices and to 're-educate' task managers for an effective combination of traditional lending strategies with a new approach to knowledge-management for policy reform. As highlighted by a senior World Bank official from the PREM, 'the decision of engaging in efforts to coordinate World Bank knowledge activities, local expertise and policy processes is exclusively reserved to Bank's officials' (Messick 2004: interview). Thus, any analysis of the role of the World Bank as a conveyor of funds and knowledge, this thesis argues, must reveal the distinctive patterns of involvement and activities of Bank units and staff in the promotion of governance-related reforms in developing countries. Likewise, to analyse the role of the World Bank in the promotion of politically sensitive reforms in developing countries it is important to consider the disparities between the Bank's rhetoric regarding governance and knowledge management and the reality of project operations and implementation outcomes.

The interplay of governance and knowledge management as two aspects of the new development agenda promoted by the World Bank during the last ten years is critical to the understanding of the puzzle presented in this thesis, namely, that the World Bank, like any other international organisation, is capable of transferring ideas and funds that legitimise certain policy preferences, but the ways and extent to which policy change occur depends upon the capacity of Bank staff to integrate contesting impulses into broader consensus to implement politically sensitive reforms on the ground engage. This argument proposes that reform in areas such as judicial reform and anti-corruption cannot entirely rely on the financial leverage of loan conditionality, rather it needs to create incentives at the local level to modify old or create new institutions.

To analyse this process in the context of Argentina's judicial and anti-corruption reforms, the following chapter elaborates a theoretical framework that combines critical theories (in this case Neo-Gramscian IPE) and actor-oriented models of policy making (represented by the literature on policy transfer and public policy networks) for the understanding of the knowledge-policy relationship within the World Bank. The framework developed in Chapter Two explains the World Bank knowledge-policy relationship as well as the ways and extent to which Bank staff sought to 'transfer' or 'broker' financial resources, best practices and local expertise to foster the implementation of governance-related reforms in Argentina.

CHAPTER TWO

THE WORLD BANK AND GOVERNANCE REFORMS: AN ALTERNATIVE FRAMEWORK OF ANALYSIS

INTRODUCTION

The decade of the 1990s was associated with changes in the operational agenda of the World Bank. As explored in Chapter One, by the mid-1990s the World Bank had revised its neo-liberal paradigm to address new priorities of investment in traditionally neglected sectors related to public sector management and state institutions (Nelson 2000: 413; also Santiso 2002; 2003; World Bank 2001a; 2002). In this context, the emergence of a new development agenda encompassed, under the label of 'good governance', normative issues that led the way for the Bank to extend its scope to new areas of intervention, and also to adapt its financial and non-financial strategies toward such goal.

The development of the governance agenda paralleled discussions within and outside the World Bank on the negative effects on the Washington Consensus on growth and poverty reduction in developing countries. It also responded to critical portfolio effectiveness assessments and the effectiveness of conditionality as a coercive instrument to assure compliance with reforms promoted by international financial institutions in developing countries (Killick 1998 *et al.*; Collier 2000). In this context, a knowledge management system was developed within the Bank to help articulate a new theoretical background and development practices with new lending goals (see Chapter Three). The development of governance and knowledge management within the Bank reinforced its reach and scope in promoting new developmental norms.

This thesis argues that despite the leverage of the World Bank as a financial institution and as a Knowledge Bank, it cannot implement its own programmes in developing countries. A project loan as well as its conditions may be discussed and negotiated with government officials, but the materialisation of projects into new institutions and policies entails a process embedded in political, institutional and economic contexts in which the actors' incentives can favour or inhibit policy change. Thus, in the case of politically sensitive reforms, such as judicial and anti-corruption reforms, the capacity of the World Bank to advance governance norms rests on a combination of financial and non-financial means as well as in its ability to engage in pro-reform networks with local actors.

Against this backdrop, this chapter elaborates a framework for the study of the relationship between money, knowledge and the implementation of governance-related reforms promoted by the World Bank. The framework elaborated in this chapter draws on Neo-Gramscian perspectives in IPE and actor-oriented models of policy-making. It attempts to explain the ways and the extent to which the World Bank has acted as a mere 'conveyor of funds and knowledge' or a 'norm-broker' combining generation and diffusion of knowledge and financial resources in the promotion of governance programmes in Argentina since the 1990s. It is argued that despite the dominant position of the World Bank in the field of development economics and in development assistance, any understanding of the role of the World Bank in the promotion of governance-related reforms must look beyond its financial power and address policy change as a consequence of competing interests, material and ideological capabilities, and contrasting motivations and agendas. All these are important factors that affect the interplay between World Bank staff and local actors in a given context, as well as the materialisation of projects into new institutions and policies on the ground. The theoretical framework elaborated in this chapter attempts to fill the gaps in existing approaches to the role of the World Bank in developing countries by offering a different understanding of the knowledge-policy relationship, and the relevance of the engagement of World Bank in pro-reform networks with local actors to advance governance reforms.

The chapter is divided into four parts. The first part defines the scope of the study and introduces three main theoretical arguments advanced in this thesis. It also outlines an approach to the role of the World Bank in the articulation of funds and knowledge for the promotion of new governance-related reforms in developing countries.

The second part offers a critical review of existing literature on the World Bank within the field of International Relations and IPE. It does so by assessing approaches that focus mainly on the coercive aspect of the Bank's leverage upon borrowing countries. This literature, represented by Neo-realist and structural analysis in IPE, claims that the leverage of financial conditionality determines asymmetric relations between international financial agencies and borrowing countries that in turn shape policy outcomes. Yet, this chapter argues that the complexity and scope of World Bank intervention regarding governance norms demands the recognition of policy outcomes as part of a complex policy process in which policy and knowledge are contending terrains. Neo-liberal institutionalism and constructivist perspectives took up these arguments to explain the role of the Bank beyond coercive aspects in the delivery of conditional funds.

However, as discussed later in this chapter, despite their emphasis on interest formation based on cooperation and norm diffusion, this literature has left unexplored policy patterns related to the policy process of implementation in developing countries. From this perspective, the supply of global norms and knowledge still resembles an uncontested 'persuasion process' of actors, and thus overlooks questions of power relations and policy outcomes. This critique is also extended to the review of new approaches to 'knowledge-based institutions' as the literature not only lacks of country-specific analysis but also disassociates knowledge from (contesting) policy processes.

The third part of this chapter, therefore, departs from the above approaches and broadens the question of knowledge and power, granting knowledge political significance. It emphasised the view that knowledge does not represent an abstract composition of social relations, or a mere cognitive standing within specific groups, but rather a resource of power, which combined with material resources, enhances the capacity of the World Bank to institutionalise political-economic paradigms in a society.

Pursuing this discussion, the fourth part of the chapter combines Neo-Gramscian and Policy Networks literature to define a theoretical framework for the analysis of the arguments of the thesis. Drawing on this framework, this part also advances a definition of the World Bank as a 'norm-broker', as opposed to a mere conveyor of funds and knowledge in the implementation of governance norms. The chapter closes with some concluding remarks.

SCOPE OF THE STUDY AND THEORETICAL ARGUMENTS

This thesis deals with World Bank's financial and knowledge power and policy compliance at the core of donor/recipient relationships. From this perspective, power is seen not only as the material ability of the World Bank to achieve goals via conditional lending strategies, but also in its capacity to frame and legitimise certain paradigms underpinning development goals. It does not assume, however, that the World Bank's financial or knowledge power is an uncontested instrument establishing linear and predictable relations of domination over borrowing countries. Promoting national compliance with international financial institutions' procedures and norms, therefore, is not just a matter of 'getting the incentives right' by appealing to the coercive, disciplinary power of lenders' conditional funds (Checkel 2000: 4). A growing body of academic literature and evidence from development practice supports this claim, questioning the coercive power of funds conditionality to promote compliance (Collier 1997; 2000; Gilbert *et al.* 1997; Gilbert and Vines 2000; Stiglitz 2002). Moreover, imposition, or the perception of it, at the level of developing countries has worked against externally supported policy reforms, especially in democratic societies.

The argument advanced in this thesis suggests that the power of an international institution, such as the World Bank, to implement reforms is not linked to the leverage of conditional loans, but rather to its capacity to engage with key local actors to gain their consent to advance politically sensitive reforms. Accordingly, as the cases of judicial reform and anti-corruption in Argentina suggest, when the World Bank is able to draw on its material and ideational power to build and consolidate *pro-reform networks* with domestic actors it can have considerable influence on the implementation of new norms of governance policies in its client countries (see Chapter Five and Six). In effect, engaging in established, or creating new, networks with local actors helps to reproduce policy ideas that can percolate into the policy and decision-making processes for the creation of the institutions necessary for a workable market economy. Furthermore, in politically sensitive areas where the achievement of goals cannot be assured simply by the imposition of conditionality, the articulation of pro-reform networks may neutralise opposition, thus strengthening the capacity of the World Bank to further promote governance-related norms.

Governance-related reforms, such as judicial and anti-corruption, involve policy and institutional changes that affect politically sensitive areas and with it the power structures of the actors involved. Moreover, the World Bank's involvement in governance reforms risks contravening Article IV of the Bank's Constitutive Charter which declares that 'the Bank and its officers shall not interfere in the political affairs of any member or based their decisions on the political character of the member concerned; only economic considerations shall be relevant to their decisions' (World Bank 1992b: Art. IV, Section 10). In this context, the challenge of persuading key actors within a state to adopt new governance-related goals in a manner compliant with the exigencies of the international political economy confronts the limits posed by the Bank's Constitutive Charter.

In order to legitimise new areas of involvement and policy-making within the Bank, research and diffusion of knowledge developed as a complementary strategy that, combined with funding, enhanced the reach and scope of Bank operations. Some scholars have claimed that research and knowledge management within the Bank became 'the visa required to cross funding's frontier' (Samoff 1992: 64; see also Chapter Three). Others have claimed that the justification of the World Bank's governance agenda in strict economic terms has been a discursive strategy to transmit a normative agenda of governance for development to carry out neo-liberal restructuring in developing countries (Cammack 2004).

Mobilisation of knowledge (ideas, research, analysis, normative understandings, policy and economic paradigms) has become a critical resource for the broadening consensus and legitimacy around new issues of development. In addition to financial resources knowledge-related activities help to create and reproduce consensual ideas over certain policy paradigms. But, as this thesis suggests, knowledge production and diffusion involve policy processes in which contesting ideas shape the struggle over the implementation of paradigms. Policy ideas and knowledge-related activities are, in effect, considered in this thesis as arenas for political engagement since local actors are not simply receptors of ideas and norms disseminated by the World Bank.

The notion that knowledge creation, diffusion and implementation represent another source of power is central to the Gramscian approach to development assistance. From this perspective, it has been claimed that knowledge not only influences public debate, but also provide the ideological foundation for actors in pursuit of certain policy goals (Goldman 2005). Knowledge, together with financial resources, helps to construct the foundations of legitimacy. More critically, it empowers (or disempowers) certain actors by supporting or legitimising certain paradigms.

In the case of the World Bank, its policy recommendations and operational agenda are substantiated by ideas validated by a body of research and normative frameworks (see Chapter Three). Through the creation and support of certain policy ideas the World Bank 'frames' the ways in which major topics in development and development economics are conceptualised and packaged for policy implementation (Bøas and McNeill 2004). The research units and experts within the Bank reproduce political ideologies and values that prove, sustain or justify the Bank's approach to development. Knowledge then is not an 'apolitical', 'disinterested' activity. It is, in fact, a source of power in that it is 'material for action' (Hentz 2004: 197). Furthermore, World Bank's financial weight and authority in development economics and development assistance confers a unique capacity to combine knowledge and best practices with financial strategies to pursue policy reform in developing countries. But, how does knowledge related to certain policy ideas percolate, or get into, the policy-making process? How does knowledge become materialised into policies and institutions? Which patterns characterise the knowledge/policy nexus?

This thesis claims that the implementation of institutional reforms is a context-dependent process and thus highly political. Actors, political incentives and resources are critical factors shaping the path and depth of reform implementation. Thus, borrowing Taylor's metaphor, 'crafting consensus' with pro-reform local actors is critical to assure that certain knowledge, in the form of policy ideas and development paradigms, is reproduced and reinforced on the ground (Taylor 2004: 124). In other words, undertaking politically sensitive reforms, in which vested interests and opposing visions can challenge the path and depth of the processes, 'needs champions or pro-reform actors that reproduce locally the policy advice of the World Bank' (Myers 2004: interview). Rather than conveying funds and policy paradigms, Bank managers need to develop a common ground 'by supplying not *motivation* but resources to enable the doers to do what they were already self-motivated to do' (Ellerman 2001: 38, emphasis added). In addressing these issues, this thesis puts forward three theoretical arguments that structure the rest of the analysis:

- The capacity of the World Bank to produce and diffuse knowledge on what constitutes good economic policy (good governance) is a powerful ontological instrument affecting the way people perceive and think of economic development. Thus, production and diffusion of knowledge has become a critical factor within the structure of power and global scope of the World Bank, since it enhances the capacity of the Bank to frame issues and outline solutions.

- Knowledge is an important resource within the World Bank's power structure in that it is mutually reinforcing with financial capabilities. Yet 'knowledge transferred' is not necessarily 'knowledge taken'. The implementation of politically sensitive reforms in developing countries is intimately associated with the capacity of the World Bank to mobilise financial and knowledge resources to articulate pro-reform networks with local actors that who carry through the Bank's project.

- The ontological power of the World Bank's knowledge and its instrumentalisation into policy practices defines a new role for the World Bank as a 'norm-broker'. Therefore, the ability of the Bank to translate knowledge into instruments of policy reform depends on its capacity to act as a 'norm-broker', engaging with local actors for the implementation of policies on the ground.

The role of the Bank as a 'broker' should not be related to 'neutral' intervention or its power related simply to 'norm-building' (Payne 2001: 39). The choice of 'norm-broker' in this thesis is linked to the assumption that the Bank as a broker is not an impartial arbiter (Ellerman 2002). Rather, 'broker' is here associated with the idea that the Bank engages with local experts for the amalgamation and compromise of knowledge(s) and policy positions, empowering certain actors who can carry through a project. There is an instrumental purpose in engaging with local experts that is related to the capacity of generating a broader consensus to ensure that the norms and institutional practices supported by the Bank are not only taken up by governments but also implemented on the ground. While persuasion and transfer of normative ideas has been strongly emphasized by some accounts as important attributes that explain how knowledge and policy paradigms translate into practice (for instance, Keck and Sikkink 1998; Barnett and Finnemore 1999), this thesis argues that persuasion and transfer by themselves do not make the difference. The implementation of ideas into institutions and policies is the consequence of effective compromise between the World Bank's policy frameworks and local sources of knowledge by integrating local experts in the framing and implementation of policies.

However, this thesis departs from the view that the World Bank is a monolithic, uniform institution. Not every unit within the World Bank Group has adopted knowledge-management activities associated with the production, dissemination and implementation of knowledge for the promotion of governance norms (see Chapter Three). Moreover, it is argued that the success of the World Bank in forging judicial reform and anti-corruption programmes has fluctuated, depending on the way and extent to which Bank staff sought to 'transfer' or to 'broker' financial resources, best practices and local expertise to foster the implementation of such policies (see Chapters Five and Six).

The progress of governance-related reforms in the case of Argentina proves that 'managing knowledge' from the point of view of the World Bank has faced two main tensions. One tension concerns the way to bridge the gap between knowledge codified within the Bank as 'best practices', and knowledge that is articulated and conveyed by local actors and experts in developing countries (codified global vs. tacit local knowledge). The knowledge that is mobilised by the World Bank is primarily focused on technical and economic aspects of the development process. Lending programmes lean conceptually heavily on efficiency in public administration, decentralisation of public services and modernisation of the judicial system (see Chapter One). As argued elsewhere, 'all in all, the problems of governance have a technical side related to lack of knowledge, skills and material resources of different actors. However, key aspects related to *bad governance* cannot be de-linked from political implications' (Casaburi *et al.* 2000: 498). It is precisely politically-related problems of 'bad governance' that Bank approaches tend to exclude in its promotion of governance reforms. And most of the cases, these are the main focus of local experts' proposals in developing countries.

The other tension relates to the essence of the knowledge institution *per se*. As Ellerman succinctly argued, the World Bank 'is not a university; the agency puts money as loans or grants behind projects based on various assumptions' (Ellerman 2002: 287). Despite attempts toward the establishment of the Knowledge Bank and the review of knowledge 'as a currency' it is recognised that the lack of binding operational directives leaves a degree of discretion for task managers about the integration of the World Bank's and local knowledge into project formulation and implementation (Gray D. 2004: interview; Laporte 2004: interview; Gonzalez de Asis 2004: interview). In addition, the apolitical mandate that prevents the Bank from interfering in the domestic politics of borrowing countries has led some task managers to 'seek to reduce risk in loan approval' and thus to promote consensus among policy-makers, rather than to broader exchanges with local experts, especially if these support contesting 'political' proposals.

Reflecting on such tensions and contradictions, this thesis claims that the role of the World Bank in advancing governance reforms has evolved in a two-pronged dynamic: in some circumstances, as in the case of judicial reform, Bank staff approached reform as a process of *transfer* of blueprints and 'best practices' via negotiating funded projects with the government, neglecting local expertise (and experts). In other circumstances, as in the case of anti-corruption, Bank staff engaged with local expertise for the framing of the problem and the implementation of the solution. As Chapter Five shows, in the first case the Bank played an important role in disseminating knowledge, yet in practice transfer of knowledge and funds proved insufficient to assure success in policy implementation. In the second case, in contrast, development assistance involved a process in which the Bank acted as a *broker*, integrating the World Bank's normative agenda with country-based knowledge for the design, negotiation and implementation of policies.

To explain the process by which World Bank's financial and non-financial activities has affected policy change in governance-related areas in Argentina, and to understand the policy process in which the implementation of World Bank programmes took place, this chapter elaborates an approach that combines, as little other research has done, theories of critical IPE, in this case Neo-Gramscian IPE (for instance, Cox 1986; 1987; 1989; 1993; Strange 1988; 1991; Gill 1995; 2000; Levy and Newell 2002; Bieler and Morton 2001; Bøas and McNeill 2004) and actor-oriented models of policy-making, in particular the literature of policy transfer and networks (for instance, Evans and Davies 1999; Evans 2001; Stone 2001; Marsh and Smith 2000; Dowding 1995; 2000). It does so by compensating for the limitations of early writing in the public policy literature which overemphasised evidence and patterns in the adoption of public policies at the micro-level of government behaviour, assuming rational models in which ideas, policy models and institutions are transferred mimetically from one country to another. While this literature focused mainly on policy transfer in and between member countries of the

Organisation for Economic Cooperation and Development (OECD), it tended to overlook not only the interplay between multilateral institutions and developing countries, but also the nature of power relations and sources of power between actors (see James and Lodge 2003). Notwithstanding, models of transfer and networks have offered a straightforward framework that sheds light on processes and actors involved in policy change, enhancing the explanatory power of other perspectives on international and domestic policy making.

In addition, the framework offered in this thesis aims at compensating for the limits of Neo-Gramscian theorists in IPE, often focused on macro-level structures to explain developments in the global political economy and brushing aside empirical questions on dynamics, relations and channels of interactions amongst key actors and their material and non-material resources (Gale 1998; Germain and Kenny 1998; Egan 2001; Morton and Bieler 2003). As suggested in the following pages, policy change should be analysed in terms of policy processes, and policy processes as multiple spaces of contestation in which competing interests, incentives, material and ideological capabilities affects policy outcomes.

The combination of these literatures helps to develop valid conclusions about the power of the World Bank to advance politically sensitive programmes, such as judicial reform and anti-corruption in developing countries. In order to elaborate further this theoretical framework, the next section reviews the most relevant literature within the field of International Relations and IPE that focuses on power, knowledge and funds within the Bank's operations.

REVIEW OF EXISTING LITERATURE

The World Bank as Coercive Power: a Review of Unidirectional Power Relations

Although the question of power has been a central concern within almost all theoretical approaches, how power is constituted has been a major case for disagreement in the literature of International Relations and IPE (Wendt 1999: 96-97). Critical early work on international financial institutions such as the World Bank and the IMF strongly emphasised policy outcomes as a result of asymmetries of power formalised within organisations through the application of conditional funds in developing countries (see for instance, Stallings 1992; Harris 2000). The main analytical assumption supporting this understanding of multilateral development agencies was that the leverage of conditionality determines asymmetric relations between international financial agencies and borrowing countries. From this perspective, policy outcomes were explained on the basis of asymmetric power relations. In this view, it was assumed that the World Bank's promise of financial resources encouraged developing countries to comply with World Bank policies (Stallings 1992). Thus, the power of World Bank conditionality was considered as an exogenous, systemic factor capable of constraining state behaviour, rewarding some actions and punishing others. This reading of the coercive nature of the power of conditionality resembles a regime in which compliance with hierarchically imposed global norms is primarily achieved through the external sanctioning force of multilateral financial institutions.

Associated with this line of theoretical argument, Neo-realist approaches have argued that international organisations are embedded in global hierarchies that mirror the asymmetrical distribution of political and economic power among states. Moreover, this asymmetry in the distribution of power reflects and enforces the interests of powerful developed countries who set the purposes and agendas of international development assistance (Mearsheimer 2001: 364). The analysis of international organisations, from this perspective, has subsumed development assistance to the narrow analysis of 'who rules' and 'in whose interests' (Krasner 1983; Gilpin 1987; Mearsheimer 1994).

From a different perspective, but still with a strong emphasis on asymmetries of power, some structural analyses in IPE have echoed a unidirectional determinism focusing on the U.S.A as the World Bank's biggest sole financial contributor. From this angle, it has been claimed that unequal voting strength of the U.S.A dominates the agenda of the World Bank. Payer, for instance, has argued that the World Bank 'deliberately and consciously uses its financial power to advance the interests of private, international capital to every corner of the underdeveloped world' (Payer 1982: 344; also Wade 2002). Furthermore, Payer claimed that the 'dominant style of development projects [supported by the World Bank] is biased toward the accumulation of wealth and power by those who are already wealthy and powerful' (Payer 1982: 344). Likewise, Gill, and Gill and Law, argued that the development regime promoted by international organisations expresses the interests of the biggest transnational corporations, banks, and private actors in the major capitalist states (Gill 1990; Gill and Law 1988). Complementarily, Woods offered new insights to the quest for asymmetry of power by relating this to the governance structure of institutions such as the World Bank, in particular to issues of voting weight, representation, and lack of accountability (Woods 1999; 2003). From a different perspective, but still emphasising external pressures as determinants of policy outcomes in developing countries, works such as Bruce Rich's 1994 *Mortgaging the Earth*; George and Sabelli's 1994 *Faith and Credit*; and Walden Bello's 1999 *Dark Victory: The United States and Global Poverty* stressed the contradictions between the World Bank's development priorities and the reality of development in developing countries.

Considering the overall trend of economic reforms in developing countries, Stallings reinforced some of these insights by claiming that the trend toward privatisation and liberalisation in the 1980s, especially in the latter half of the decade, shows that external forces conditioned policy choices within developing countries. The fact that many countries with diverse characteristics undertook similar policy decisions, she argues, illustrates that domestic forces were not at the core of their policy options (Stallings 1992: 82). Although Stallings emphasised the importance of the regional context to explain some diverse patterns in developing countries, her analysis strongly emphasises the leverage of international institutions as lenders of last resort in the course of economic policies (Stallings 1992: 43-44; also Kaufman and Stallings 1989; Haggard and Kaufman 1994; Nelson 1990; 1994).

This line of analysis has been very influential within the field of international relations. In fact, as stated by Held and McGrew, 'no compelling account of the role of international organisations and state compliance in the current international political economy can ignore, even in a globalising era, the centrality of the inequalities of power between states' (Held and McGraw 2002: 12). However, some reservations should be made in explaining the central matter of this study, namely, the relation between power resources and policy outcome in the implementation of governance reforms in developing countries.

First, a government's commitment is not indicative of the power of the multilateral financial agency to implement reform programmes on the ground (especially in democratic societies). The implementation of policy reforms is highly political as it involves complex dynamics between a diverse range of actors and a diverse range of resources. Second, consideration of the World Bank as a structure of constraints that exert uncontested, coercive power on policy choice in developing countries, overlooks the ways and extent to which the contestation and/or support of local actors toward externally-driven reforms enhances or limits the role of the World Bank in advancing politically sensitive reforms in developing countries. Held and McGrew argue that, 'in a highly interconnected world of diverse nation-states, in which non-state actors also wield enormous influence, hierarchical forms of managing global affairs are losing their efficacy and legitimacy' (Held and McGrew 2002: 11). Moreover, contextual analysis of governance-related reforms in developing countries can add value to these analytical premises by emphasising the role of local actors in the policy-making process.

The compliance of developing economies with international financial institutions' conditions during the 1980s was very much dependent on the need of World Bank and IMF-funded programmes to achieve economic stability and reinsertion in the international economy. This was particularly the case for highly-indebted developing economies during the 1980s and early 1990s (Haggard and Kauffman 1994). In this context, multilateral financial agencies enjoyed influential power as lenders of last resort, being able to condition the disbursement of scarce funds upon the adoption of certain policies. However, changing conditions in the global political economy since the early 1990s eased international capital markets, challenging the multilateral financial institutions as the primary provider of capital and with it their capacity to act as a coercive power conditioning funds in return for the compliance with certain rules (Birdsall 2000). This was even more the case when some developing countries reached levels of economic stability and recuperation that restored the trust of private investors and could therefore attract 'un-conditioned funds' from the private market. By the mid-1990s the effectiveness of conditionality as a disciplinary device for middle-income countries was seriously questioned (Kapur and Webb 2000; Santiso 2002; Stiglitz 2002). In some cases, external conditionality was even used by governments to overcome internal opposition and accelerate government agendas (Casaburi *et al.* 2000: 152).

Third, by paying little attention to domestic factors in shaping international and national politics, those approaches that focused on a one-dimensional aspect of the coercive element of the World Bank's operations left un-scrutinised the empirical patterns of politics and relations within the implementation process of programmes. By assuming that lending strategies reflect the goals and interests of major donors, and that the mere power of conditional funds assures compliance in developing countries, these analytical approaches overlooked national contexts, in particular actors, institutions and incentives as well as non-material foundations of preference formation and influence, such as knowledge and ideas. All these are important factors shaping policy outcomes on the ground. As stated succinctly by Bøas and McNeill, to claim that international organisations exert power in ways that are intended and anticipated by those actors who dominate the international political economy is not only narrow, but in fact analytically misguided (Bøas and McNeill 2004: 214). In light of this, this thesis argues that in order to understand policy outcomes it is crucial to explore the process by which domestic actors take up, modify or contest policy options.

Finally, it can be argued that the unidimensional logic of power relations based on the disciplinary capacity of conditional aid assistance denies the historical significance of practices and processes that engage state and non-state actors in the implementation of policies in developing countries. For instance, Higgott and Ougaard claimed that some accounts in IPE have tended to privilege structures as the explanatory force, at the expense of processes and distinctive dynamics within social relations (Higgott and Ougaard 2002: 11). Ultimately, despite the hegemonic role of major donors in the shaping of policy debates within and outside international organisations, the promotion of new norms of governance must be contextualised within a broader framework, incorporating constituency building and legitimating processes for reform implementation. Furthermore, structural approaches to the World Bank failed to open up its 'black box' to understand the fragmented institutionalisation of finance and knowledge within the World Bank's operational and research units, and the way these units promote policy ideas and reform projects by different means in developing countries (see Chapter Three).

These points are critical in the explanation of the task this study sets itself, namely, an analysis of the ways and extent to which the World Bank engages with local actors in pro-reform networks to advance reforms in politically sensitive areas such as judicial reform and anti-corruption programmes through financial and non-financial means. These questions and the linkages between domestic and international politics are particularly relevant for the present thesis and require a different theoretical approach.

The Bank as Provider of Public Goods: a Review of Neo-liberal Institutionalism

A second body of literature concerned with the analysis of the World Bank departed from the focus on coercive power of multilateral financial institutions and highlights their external role and influence as a provider of public goods such as funds and knowledge which 'compensate for government failures' in relation to economic and governance outcomes (Gilbert and Vines 2000). From this perspective, some scholars and recent publications on the World Bank highlight a different dimension of the World Bank and its relations with developing countries. Rather than perpetuating the 'agent of imperialism' label (Payer 1982: 359-361, for instance) this literature, some of which originated in the research departments of the World Bank and the WBI, highlights the capacity of multilateral financial institutions to help governments assure returns from social and private investment, either because public functions of the state underperform or state institutions are weak, corrupt or simply 'market-unfriendly' (Gilbert *et al.* 2000: 42-43; Stiglitz 2000; 2002; Squire 2000).

Accounts of the World Bank as a provider of public goods explain policy outcomes as the result of choices made by the government facing clear rules and procedures that are set out by international organisations. In the literature of International Studies, these accounts resemble Neo-liberal Institutionalist theories which highlight the role of international organisations in coordinating normative regimes, rules and decision-making procedures toward which actors' behaviour is expected to converge (Krasner 1983; Keohane 1984: 97-101; Baldwin 1993). In this context, a number of actors playing in the international arena can achieve desired outcomes in particular issue-areas that otherwise could not be achieved if self-interest calculations prevailed uncoordinated (Keohane 1984: 92-95; Martin and Simmons 1998).

The emphasis on coordination and compliance with policies supported by international organisations reinterprets the *disciplinary* role of international organisations in a less hierarchical manner. Neo-liberal Institutionalism considers international organisations as a provider of global public goods, such as those related to financial support for vaccine research, in-house economic research on development and development institutions, capacity building for research in developing countries, convening international summits on global pollution, environmental and water preservation projects, coordinating aid flows from disparate donors, etc (Kanbur 2002: 2). The provision of information and funds to support these best practices reduce market uncertainties and transactions costs (Axelrod 1984; Keohane 1984).

Rather than simply a result of the coercive power of conditional lending, as proposed by the literature reviewed above, the Neo-liberal Institutionalist standpoint on state compliance offered new insights on central issues such as international cooperation, legitimacy and transnational facilitation of policy frameworks or 'road-maps' that guide or constrain the behaviour of actors (Goldstein and Keohane 1993). However, the identification of international organisations as providers of 'roadmaps' that discipline behaviour assumes a causal pattern or rational linear process in which interactions among different actors and resources are ignored. Furthermore, local actors are considered passive recipients of policy frameworks and rational followers of 'road maps', leaving unexplained contesting patterns in the process of policy implementation.

From this ground, Neo-liberal Institutionalism considers the process of negotiation and implementation of externally funded programmes as apolitical, rationally calculated costs and benefits in which compliance with international norms is an expected consequence. However, as this thesis proposes, to analyse the role of an international financial institution, such as the World Bank, it is not enough to survey the disciplinary capacity of the provider of public goods. Rather, the focus must be directed toward the mechanisms through which norms and procedures delivered by international organisations are taken up, contested and implemented within domestic scenarios. In short, the process of policy reforms 'takes the form of more nuanced mechanisms than simply an open disciplining process' (Bøas and McNeill 2004: 214). Neo-liberal Institutionalism has often disregarded the domestic determinants of policy-making and the dynamics of influence, cooperation, and contestation that emerge from the interplay between international and domestic actors in the formulation, negotiation and implementation of political-economic reforms.

Departing from rational understandings of politics, Constructivist scholars in International Studies have added new insights in the analysis of policy outcomes by focusing on the way agents interpret and act upon shared understandings. The next section explores some constructivist approaches that have contributed to policy process analysis, treating multiple levels of interaction, including the sharing of knowledge as a critical dimension to understand interest and choice.

Assessing Constructivist Approaches to Norm Diffusion

Social constructivism approaches in international relations theories have rejected those unidirectional analyses of social relations that have focused mainly on material resources to consider policy outcomes as part of a relationship between social actors. The construction of meaning and of social reality, it is argued, is not reducible to the actors themselves but rather to the significance given by actors in interactions (Checkel 1998; Ruggie 1998; Kratochwill 2001; Fierke 2002). Thus, to explain the role of an institution like the World Bank it is not sufficient to consider its coercive or disciplinary aspects in the delivery of conditional funds or public goods. Deeper analysis of identity, motivation and choices beyond rational calculations is necessary.

Social constructivist perspectives explain policy change as a process of social interactions in which actors define their interests inasmuch as they share certain understandings (Checkel 1998). Shared understandings or intersubjective knowledge, from this perspective, gives meaning to facts. Even material resources, Wendt argues, 'acquire meaning through the structure of shared knowledge in which they are embedded' (Wendt 1999: 73). Identity, preferences and the role of actors are the result of mutual understanding rather than utility-maximising calculus, these assumptions reject those notions of external constraints shaping or affecting preference of actors in a top-down manner. Shared understandings, expectations and ideas become embedded in international organisations that reproduce 'social knowledge' (Wendt 1994: 389) in their interaction with local groups (Kahler 1992: 126; Babb 2001).

Within this tradition, Martha Finnemore offered a groundbreaking analysis of the role of the World Bank in the diffusion of norms of development. Finnemore defined norms as 'collectively held ideas about behaviour'. Norms, according to this author, are shared and social and are not just subjective but *inter*subjective (Finnemore 1996: 23). The main argument, from this perspective, is that unlike coercive or disciplinary external powers, norms are shared understandings that are constructed in relation to the others. These, in turn, affect actors' beliefs and choices (Ruggie 1998; Wendt 1995; 1999). From this perspective, the process of diffusion of norms constitutes the main conduit for policy change (Finnemore and Sikkink 1998; Wiener 2003; Park 2005).

Accounts of norm-diffusion envisage international organisations as 'teachers' that impart knowledge to developing countries through the research and training sessions they conduct and the technical assistance they provide (Kahler 1992: 123; Finnemore 1996; Miller-Adams 1999). Other scholars regarded this process as 'lesson drawing', a process that denotes a specific form of policy-making by portraying positive and negative lessons from the experience of policy implementation in other countries (Rose 1993). Like the notion of social learning, the literature on lesson-drawing highlights the conditions under which policies succeed in one jurisdiction and if and how those conditions are reproduced cross-nationally (Radaelli 2004). Learning processes assume a form of diffusion that channels particular policy ideas from one scenario to another. The cross-national adoption of policies is, therefore, explained as the result of mechanisms of diffusion that are associated with emulation of successful policies somewhere else; promotion of policy models and knowledge outcomes by international institutions and transnational actors; the establishment of inter-governmental norms and regimes (Radaelli 2000). The adoption of certain policies can also be the result of coercive diffusion, namely, the response to pressures of external actors as a government depended on such organisations (*ibid.*: 28).

Yet, as argued by Stone, 'these conditions help explain why there are pressures for reform, but not whether or not it will occur or the form it should take (Stone 2001). This is central to the analysis of divergent policy outcomes involving norm-diffusion and international organisations in politically sensitive areas such as governance-related reforms. From this perspective, three immediate questions required further explanation: How do such norms emerge? What means or channels do international organisations promote (diffuse) those norms to other actors? How do norms materialise into policies on the ground? In this context, the extent and consequences of the contestation of ideas the process might involve are still to be explored. The response from the constructivist point of view is 'socialisation', namely, a 'process by which principled ideas held by individuals become norms in the sense of collective understandings about appropriate behaviour which then lead to changes in identities, interests and behaviour' (Risse *et al.* 1999: 11; Keck and Sikkink 1998). Compliance with norms, and policy decisions, are governed by a 'logic of appropriateness' in which actors conform to norms because they understand a given behaviour to be good, desirable, or appropriate (March and Olsen 2004).

However, in constructivist accounts the level of normative compliance assumed in the process of norm-diffusion and socialisation still appears as an unproblematic, uncontested process of persuasion by some actors (international organisations, advocacy networks, NGOs, experts) on others by lobby or campaigns promoting best practices. In short, three crucial aspects of the policy process are still neglected; that is, (i) why certain ideas are enforced by international financial institutions; (ii) how local actors are persuaded to follow certain policy ideas within a range of policy choices; (iii) to what extent and how policy outcomes are affected by the contexts in which policy ideas are up-taken or contested. As the following and last section of this review discusses, these questions also pose serious challenges to more recent frameworks on 'knowledge-based institutions'.

Knowledge-based Institutions and the Problem of Apolitical Knowledge

The literature on 'knowledge-based institutions' refers to those multilateral development agencies, including the World Bank, that seek to share knowledge amongst development practitioners and researchers by articulating and creating mechanisms for its diffusion to developing countries (Ellerman 1998; King 2002; King and McGrath 2000; 2004). Theoretically, knowledge-based institutions are situated at the intersection between the Neo-liberal Institutionalism and Constructivist approaches, and seeks to explain a different role played by international organisations in knowledge diffusion, namely, that of building the capacity of civil society organisations to process knowledge and to engage effectively in development debates and decision-making processes.

Since the World Bank's World Development Report 1998, Knowledge for Development, multilateral agencies promoted international norms and 'best practices' by engaging in a process of knowledge diffusion and social learning (King and McGrath 2004). Tony Killick called this process the 'silent revolution' in which international financial institutions fostered reforms in developing countries by influencing policy debates within policy circles through regular contacts and policy dialogue with key actors (Killick 1996: 226, quoted in Leiteritz 2004). According to Killick, the experience of PRSPs in Africa, for example, opened an opportunity to 'get away from old ways of doing business and to substitute these by broad-based, locally owned strategies, in which policy commitments are self-defined by the responsible governments, subject only to *endorsement* by the [Bretton Woods Institutions'] Boards (Killick 2004: 15, emphasis in original). Policy dialogue involving international financial institutions' officials, governments and their advisors helps improving consensus-building based on available knowledge (in particular that codified based on Bank experience and evaluation of programmes) as well as it improves the institutional channels for further harmonisation of aid programmes (*ibid.*: 26).

The 'intellectual influence' of international financial institutions facilitating codified knowledge and experience has also been core for the definition of the corporate strategy under the label of 'Knowledge Bank' or knowledge-based institution (see Chapter Three). The term knowledge-based institution is used to describe national, international, and regional non-governmental organisations which provide codified knowledge on a diverse range of policy issues. Knowledge-based institutions have been related to a new mode of knowledge production that shift the emphasis from university-led production of knowledge to a more problem-oriented approach assisting policy-makers in developing countries by providing systematic technical knowledge (Gibbons *et al.* 1994). Understood this way, knowledge is presented as a commodity that is transferred through international knowledge-based institutions, such as the U.K. Department for International Development (DfID), the WBI, knowledge networks and online gateways such as the World Bank's Development Gateway (King 2002; Stone 2000; 2002a; King and McGrath 2004). Knowledge-based institutions can act as 'agents of change' instructing developing countries how to transform themselves (Finnemore 1996) or simply as 'intellectual actors' (Stern and Ferreira 1997).

Based upon questions that are at the core of the relationship between knowledge and policy, approaches to international knowledge-based organisations explain how prestige and reputation of these institutions have strongly influenced the supply of global knowledge that shapes policy options of developing countries. In this context, some authors have shed light on the role of the World Bank in articulating knowledge and creating policy paradigms; what Barnett and Finnemore called 'fixing of meanings' (Barnett and Finnemore 1999: 711). Fixing meanings in development discourse reflects the ability of knowledge-based institutions to structure the boundaries for the implementation of policy programmes and the actions of policy makers and other social actors. A critical standpoint within this literature has been the analysis of the World Bank as a 'Knowledge Bank' that pursues knowledge-based aid assistance (Stone 2000). The specific focus on the World Bank reflects the institutional changes and the vision of the Bank developed from the early years of Wolfensohn's administration. As explored in Chapter Three, in the early 1990s, an internal Knowledge Management unit was established within the Bank to articulate learning systems to interact with external information flows and policy trends on two fronts; staff to staff and staff to actors in borrowing countries.

Critics of knowledge-based institutions, in particular of the World Bank, have claimed that the World Bank's knowledge rests on arbitrary, hierarchically-managed knowledge production of dogmatic paradigms (George and Sabelli 1994; Wade 1996) and that the Knowledge Bank is a vehicle for the promotion of neo-liberal reforms by other means (Tandon 2000; Wilks 2001; Mehta 2001). Others have suggested that changes in the

Bank's operational agenda toward the adoption of knowledge-based activities is a defensive strategy on the part of the World Bank, responding to the need to reposition itself as a relevant actor within the international political economy (Gilbert and Vines 2000; Pincus and Winters 2002).

Accounts of knowledge-based institutions have proposed a new way of conceptualising the role of international organisations in the era of highly integrated capital markets and transnational interaction affecting policy-making. However, accounts of the World Bank as 'knowledge-institution', 'intellectual actor', or 'Knowledge Bank' overlook two pivotal aspects defining the scope of the Bank as a knowledge-based institution. The first one is related to the lack of specific analysis focusing on country-case studies for a comprehensive understanding of the process by which World Bank knowledge and related activities affect the implementation of reform programmes in developing countries. Despite reference to new activities adopted by development institutions such as partnership, capacity building and policy dialogues, research remains weak in the consideration of country-based empirical analysis of the interplay between knowledge producers, knowledge users and policy-makers, as well as distinctive patterns of knowledge/policy and policy outcomes (see, for instance, King and McGrath 2004; King 2002; Denning 1998; 2000; Gilbert and Vines 2000; Mehta 2001; Stern and Ferreira 1997; Wade 2002). From this perspective, social learning processes implicit in the literature of knowledge-based institutions do not have the analytical strength to explain the interplay among actors involved in the negotiation and implementation of policies.

The second aspect refers to an a-critical understanding of the World Bank as a monolithic actor producing knowledge that is taken up and applied to policies in developing countries regardless of contesting forces or alternative knowledge and policy standpoints. In short, the reviewed literature overstress the role of the World Bank as a knowledge producer, failing to disaggregate the different involvement of certain agencies within the Bank in the task of knowledge management and the creation of methodological tools to approach development issues.

Hence, for the purposes of this thesis, while accepting that knowledge is a powerful resource within the Bank that affects the way actors interpret and make choices over certain issues, surveillance and consensus cannot necessarily be taken as an expected consequence of the World Bank's knowledge agenda. Accounts of knowledge-based institutions, therefore, risk reducing knowledge to a 'structure of cooperation' between these institutions and local actors, resembling what Ferguson identified as an 'a-political machine' (Ferguson 1990). Put another way, 'knowledge itself does not make the difference; rather, the application of knowledge "on the ground" is what matters' (Sawamura 2001: 6, quoted in Stone 2002b: 287).

From this perspective, existing literature related to knowledge-based institutions fails to recognise that knowledge is contextual and contingent, and that it is the interplay of external and local knowledge which affects the process of 'social learning' and policy development. These weaknesses were still evident in critical work that focuses on the influence of World Bank's 'authoritative knowledge' in the implementation of environmental policies in developing countries (Goldman 2001), or the construction of the state in Africa (Harrison 2004). They are also implicit in work published by the Bretton Woods Project regarding the design of PRSP in some countries (Wilks and Lefrançois 2002). Although these works raised critical concerns, their analyses did not explore the interplay between actors involved in the diffusion, compromise and implementation of knowledge into actual institutions.

In short, although this strand of literature helps to explain the role of the World Bank in the diffusion of knowledge, it entails three main limitations to further understanding of the role of the World Bank as a 'broker' in advancing politically sensitive reforms in developing countries. First, it overemphasises knowledge transfer as the main factor in inducing policy reform, leaving unanswered questions related to the political and economic interests and resources that shape the capacity of actors to take, oppose, or transform available knowledge and policy ideas. Furthermore, the emphasis on knowledge diffusion focuses on a one-way transfer of knowledge, as an a-contextual, uniform process through which ideas and knowledge are transferred and implemented in developing countries. Second, approaches to knowledge-based institutions have tended to separate the context in which knowledge is created from the one in which knowledge is implemented. Third, the literature reviewed does not assess the extent to which actors taking, modifying, and/or contesting knowledge affects policy outcomes.

These deficiencies inhibit more rigorous scrutiny of the questions at the heart of this thesis, namely, the role of World Bank *vis-à-vis* local actors and the significance of policy networks in the processes of contestation, amalgamation and compromise of World Bank and local actors' knowledge and paradigms. Thus, it is necessary to explore the links between knowledge, power and policy development *beyond* cooperative engagements, and to consider situations in which World Bank knowledge encounters contesting knowledge from local actors. With this in mind, the remaining part of the chapter broadens the question about knowledge and power and emphasises that knowledge does not represent an abstract composition of social relations, or a mere cognitive stance within specific groups, but rather a resource of power which, combined with material resources, enhances the capacity of the World Bank to institutionalise political-economic paradigms in national contexts.

KNOWLEDGE, MONEY AND THE WORLD BANK. TOWARD AN ALTERNATIVE THEORETICAL FRAMEWORK

The political-economic analysis of knowledge, as proposed in this thesis, revokes three assumptions as 'reductionist' in the light of its argument: (i) that knowledge represents convergent problem-definitions or policy responses and there is therefore a single identifiable solution for good policy-making; (ii) that knowledge is an 'uncontested ideal' and therefore acting on knowledge in society is objective; (iii) that knowledge represents a stand-alone, a-historical and apolitical concept.

This thesis argues that the materialisation of knowledge into policies is a process that is embedded in political, institutional and economic contexts in which actors' incentives and resources can favour or inhibit policy change. To avoid narrow interpretations and to better understand the role of the World Bank in governance reforms in a country like Argentina, it is important not to place any actor or resource centre-stage as 'the most powerful' subject. The interplay between different actors and 'different knowledge(s)' shape policy-making processes and policy outputs (Stone 2002a: 139). Based on these premises, the first theoretical argument of this thesis states that:

- Production and diffusion of knowledge has become a critical factor within the structure of power and global scope of the World Bank as it enhances the capacity of the Bank to frame issues and outline solutions.

In the context of this thesis, a key theoretical challenge in the development of this argument is the inclusion of a critical understanding of knowledge as a powerful resource without reducing it to a stand-alone or abstract explanatory factor. Knowledge represents a powerful resource that legitimises normative frames around which development policy is oriented, and delegitimises, at the same time, competing conceptualisations and policy approaches (Sending 2004: 59). Yet, knowledge is context-dependent and as such its significance can vary in the interplay between actors, incentives and contextual factors.

Critical theory in International Studies, principally that embodied in post-modern and in structural theories in IPE, is particularly relevant for the analysis of the knowledge and power. This is the case as, in contrast to Constructivist accounts, which explain policy outcomes as the product of consensual understandings and common knowledge, for critical IPE knowledge is defined in terms of power relations.

From a post-modern perspective, for instance, knowledge has been associated with power imbalances since the work of Foucault (Foucault 1977; 1980). The power of knowledge rests in the 'production of truth' which rules social relations (Foucault 1980: 93). The ontological power implicit in the notion of *construction of truths* refuses constructivist theoretical insights that consider knowledge as a mere ideational construction of *common understandings* independent of interests and power relationships. It also contests accounts that reduce knowledge to an ideology imposed simply in a top-down manner. In the post-modern view, knowledge becomes embedded in institutions and policy discourses which, in turn, govern the position of those that exert influence and control in society.

In this view, some scholars claimed that the World Bank's governance agenda establishes a set of 'truths' that sustain and legitimise the promotion of a normative economic paradigm in developing countries (Ferguson 1990; Goldman 2005). This line of analysis was also developed by several authors who explored the discursive power of the World Bank in affecting the undertaking of developmental norms in developing countries. Escobar for example, has drawn on Foucault's insights to analyse the discursive aspects of development establishing a dominant paradigm. In his account, power is understood as production and control of knowledge about desirable development outcomes (Escobar 1995). According to Escobar, powerful development institutions, such as the World Bank, conceptualise socio-economic problems and create a hegemonic consensus by 'co-opting radical counter-discourses' (Ferguson 1990; Escobar 1995; also Moore 1995: 16). The power of the World Bank, in this view, rests on its capacity to create *the* meanings that frame the development agenda.

As argued by Harrison, discourse analysis has helped to explain the neo-liberal bias of the World Bank's economic policies, as well as the extent to which the World Bank's agenda reflects a tension between technical versus political understandings of development. However, the de-contextualisation of discourse analysis, and post-modern accounts in general, left unexplored the dynamics of social relations that shape the process of implementation of World Bank projects in a given context (Harrison 2004). Likewise, the deficit in the analysis of the sources and mechanisms of funds and knowledge diffusion, and the interplay between actors in embedded historical, political and economic contexts, lefts unexplored the process by which knowledge translates into policy affecting institutions and policy-making processes in democratic contexts.

This brings us to IPE critical theory which has, to some extent, offered some answers to these issues, as knowledge is considered part of a broader structure of power resource. For instance, Susan Strange pioneered an analytical framework in which knowledge was identified as one component in a broader structure of power sources in combination with production, finance and security (Strange 1988: 24-26). For her, power is a function of supremacy and control over these resources in the international political economy, as well as control over the decision-making process and outcomes related to them. In this context, not only knowledge itself sets standards or boundaries concerning ideas and values in society, but the power of knowledge is inherently related to who controls communications channels by which beliefs and ideas are communicated to maintain, enhance and reinforce dominant paradigms (Strange 1988: 25-31, 116).

Building upon this line of argument, this thesis claims that knowledge, as a source of power, must be analysed in relation to the interplay between actors that convey, and actors that contest, policy paradigms. This understanding provides a starting point for a critical interpretation of knowledge power and the institutionalisation of policy ideas and norms. The focus on IPE, as recognised by Harrison, 'allows us the possibility of understanding the World Bank's actions materially as well as ideologically' (Harrison 2004: 52). Paradoxically, most critical contributions in IPE have not been accompanied by empirical cases that demonstrate the relative influence of different sources of power and power relations in certain time and place. Moreover, some analyses in IPE tended to generalise knowledge as embodiment of ideological representations (Cox 1996: 301; Gill 2000), creeds (Strange 1988: 123-127; 1991) or normative frameworks (Bøas and McNeill 2004: 213-214).

Advancing these arguments, this thesis explains theoretically as well as empirically the actual process by which knowledge conveyed both by the World Bank and by local experts was articulated and materialised in institutional forms in the areas of judicial reform and anti-corruption in Argentina. The power of knowledge to materialise in policy change is defined in terms of contending dynamics between knowledge producers and knowledge users (see also Standing 2000; Samoff and Stromquist 2001; and Chapters Five and Six in this thesis). In so doing, this analysis also goes a step further toward meeting a major shortcoming of critical IPE, namely, explaining driving forces and resources along different stages within the policy-making process (for instance, agenda setting, formulation, negotiation and implementation). These aspects are significantly relevant in the current context of the international political economy in which policy-making processes have become more decentralised as a consequence of the increasing number and capacity of actors who produce and contest knowledge on a global scale (Cerny 1995; Stone 2002a: 125-131). With these points in mind, the second theoretical argument of this thesis states that:

- Knowledge and financial capabilities within the World Bank power structure are mutually reinforcing. Yet, 'knowledge transferred' is not necessarily 'knowledge taken'. Knowledge can be taken, contested or modified as it enters the political-economic and institutional context in which actors interact.

This argument motivates the thesis as a whole to develop a comprehensive framework that explains the links between knowledge and material resources in the construction of policy processes involving the World Bank and local actors from developing countries. The remaining analysis completes the theoretical framework drawing on Neo-Gramscian understanding of power as a double dynamic of coercion and consensus, and on institutional concepts of policy networks and policy transfer.

Combining Neo-Gramscian, Policy Networks and Transfer Literatures

This thesis claims that despite the leverage of the Bank as a financial and knowledge institution, to implement programmes in developing countries it should engage in networking activities with local actors who can carry through and percolate ideas into the policy stream. The power of the Bank is to be seen as a process, rather than as an attribute of a single actor. To develop a framework that combines critical theory in IPE, in particular Neo-Gramscian contributions, and conceptual arguments developed in the literature of policy transfer and policy networks, the main issues at stake are: First, to understand power as relational concept. Second, to explore policy change, particularly in democratic societies, entails accommodation and compromise amongst actors' interests, ideas and political agendas in order to neutralise possible contesting impulses which might impede the implementation of reforms (Gramsci 1971: 58; Cox 1987; 1993).

The cases of governance reforms analysed in this thesis suggest that reform processes are highly political and as such cannot be imposed from outside. Neo-Gramscian perspectives on policy change provide an ontological and epistemological foundation for the construction of a non-deterministic interpretation of social change, as it offers an understanding of power as a double dynamic of coercion and consensus (Gramsci 1971; also Bøas and McNeill 2004). Policy change from a Neo-Gramscian perspective is a consequence of a structure of domination. Nevertheless, domination is not explained in terms of coercive power, but rather as a dynamic of coercive and consensual policies (Cox 1987).

From a political-economic perspective, this thesis suggests that the implementation of governance-related reforms, promoted and supported by World Bank lending and knowledge strategies, is not simply a consequence of the dominant position of the Bank acting in the interest of powerful states. Nor is the policy change an uncontested implementation of leading collective images. In the case of governance reforms in Argentina, implementation of policies was the consequence of the integration of contesting impulses into a broader consensus for the design and implementation of reform programmes.

The capacity of the World Bank to institutionalise its normative agenda of development in developing countries does not rely simply on coercive means, namely, its financial-economic power, but also on the ideational power conferred by knowledge and ideas (Cox with Sinclair 1996: 52). Following Cox's definition of ideational power, it is argued that *collective images* within power relations endorse differing views on policy issues that define both the nature and legitimacy of practices and policy outcomes (Cox

1986: 218). According to Cox, while collective images may be several and opposed as they refer to ideas held by different actors, the task of policy change relies on the creation of a common ground in social discourse and practices, which he defined as *intersubjective meanings*. For instance, by championing development paradigms according to specific practices and ideologies, the World Bank promotes particular norms in defence of a particular project, one case, for instance, being judicial reform (Gill 1995; 2000: 4-10). Local actors, for their part, may articulate a different framework. The clash of rival collective images, Cox concludes, provides evidence of the potential for alternative paths of development (Cox 1986; 1987). Yet, how does the interplay between actors (and 'knowledges') affect the policy outcomes? More importantly, how do actors construct *common grounds* based on which effective change occurs?

Cox's notion of the internationalisation of the state supposes a process of hierarchically-structured interstate consensus in which the state is reduced to a 'transmission belt' adjusting the domestic economy to the requirements of the global economy (Cox 1987: 254; Robinson 1996). As such, this theoretical standpoint overlooks key aspects linked to actors' relationships that are at the intersection between power, material resources and knowledge. Some scholars have rightly pointed out that Neo-Gramscian theorists have focused on macro-level structures to explain developments in the global political economy while paying less attention to meso and micro-level of analysis involving dynamics of relations and channels of communication among actors (Gale 1998: 275). Likewise, others scholars have stressed the economic determinism that often ignores processes of contestation and collaboration among domestic and international actors (Egan 2001; Levy and Newell 2002; also Germain and Kenny 1998 for a critical overview of Neo-Gramscian theorising).

The questions unanswered by Neo-Gramscian IPE are addressed in this thesis, which claims that when Bank is able to draw on its material and knowledge resources to consolidate a pro-reform network with local actors, it can have considerable influence in advancing and institutionalising governance-related norms on the ground. Networking with local actors, through learning programmes, training, capacity building initiatives, funded projects jointly designed, personal contacts and experts exchanges, enhances the opportunities of the Bank staff to disseminate and percolate ideas, in turn, reinforcing the material bases for their institutionalisation.

The analysis of this thesis is approached by bringing the contributions of policy networks literature in as a 'corrective device', introducing explanatory variables that focus on: (i) actors operating in a determined structure of relations; (ii) the context in which they interact; (iii) the type of knowledge and policy ideas conveyed by different actors (iv) the policy process; (v) different policy outcomes (Marsh and Smith 2000; Evans 2001). These variables are particularly relevant in exploring, for instance, which actors effectively carry a particular set of ideas in the cases of judicial reform and anti-corruption in Argentina; how they percolate these ideas in a particular context; the extent to which different units of the Bank empower certain local actors to carry through a project; and which are the implications of policy implementation in developing countries.

The framework developed in this thesis draws on the notion that policy ideas, held both by local actors and framed within the World Bank's development paradigm, do not flow in a political and ideological vacuum. They are actually taken, contested or modified as they enter the political-economic and institutional context in which actors interact. Likewise, local knowledge can contest paradigms and thus challenge the authority and legitimacy of externally-driven paradigms. In addressing these issues, the concept of a policy network helps to identify actors within the policy process as well as the properties that characterise relationships among the particular set of actors around specific issue areas (see Dowding 1995; 2000; Rhodes 1997; Evans and Davies 1999; Evans 2001). As explained by Evans, policy network literature helps in the understanding of interrelations amongst actors, their power and resource bases and their interests and conceptions of purpose (Evans 2001: 545).

Policy networks are essentially descriptive, as opposed to explanatory, theoretical tools. The focus on the policy network adopted in this thesis is *relational*, as networks involve the interplay of different actors in their aim of arriving at common grounds for policy proposals. The actors involved in networking may differ in interests and/or preferences as well as having incentives that may support or discourage the implementation of certain policies and norms. Some scholars have developed the concept of networks as a new form of governance or organisation (Rhodes 1997; Evans 2001). Others have focused on the role and position of the actors within the network (Dowding 1995) and highlighted the structural features that constrain or shape actors' actions (Marsh 1998). Likewise, in recent development research, the notion of network has been associated with social capital, understood as intra-community ties (see Woolcock and Narayan 2000; Bebbington *et al.* 2004; McNeill 2004). The importance of networking from this perspective is the emphasis of social relationships and ideas in shaping broader attitudes and common goals.

Within the field of comparative political economy in Latin America, some scholars have related the concept of epistemic communities to the notion of 'policy transfer networks'. Judith Teichman, for instance, focuses on 'policy networks' in the implementation of neo-liberal policies in Chile, Argentina and Mexico (Teichman 2001). For Teichman, policy networks are formed by technocratic experts, mostly trained economics graduate from U.S.A universities, who act as a community of experts and who have close links with the Executive Power in developing countries. This group of experts, who transfer knowledge to the policy stream via their connections and participation in high-level politics, have also been referred as 'technopols' (Domínguez 1997). Similarly, Babb analysed how ideas percolate within the policy stream by identifying key players in policy-making (Babb 2001). Despite the contribution of these actor-led explanations, however, particularly in the area of market-oriented reforms, analyses based on groups of economic experts have tended to assume that U.S.A-trained technocrats supply policy-makers with paradigms promoting neo-liberal reforms in a process that resembles the 'globalisation of economic expertise' and 'social learning' (Sikkink 1991: 24-26, Babb 2001: Chapter Eight).

Rather than considering policy networks acting as mere transmission belts in the transfer of purposive agendas and normative principles, the analysis in this thesis will use the literature of policy networks to explain dynamics in the knowledge-policy relation, as they are part of a process of amalgamation and compromise between different knowledge(s) and policy proposals. For the purpose of this thesis, policy networks are defined as a configuration of different actors (nationally or internationally-based) with recognised expertise in certain issue areas bound either by common goals, views and standpoints, or by their capacity to join resources to achieve certain goals. As argued by Stone, the status and prestige of the members of a network and their higher professional training and expertise regarding a particular problem 'is politically empowering and provides access to the political system' (Stone 1996: 88). Members of a network can create knowledge or act as gatekeepers of ideas that are diffused and applied to the policy stream and become institutionalised as regular patterns of social relations (Haas 1992: 27; Fischer 2003). Ultimately, the relevance of the network rests on its capacity to mobilise policy ideas into a policy agenda and, more importantly, to influence the implementation and institutionalisation of those ideas by constructing a common frame of inquiries, or what Cox called intersubjective meanings, about a topic (Cox 1986: 218; Fischer 2003: 231; also Sending 2004).

Yet, based on the nature of the actors identified in Chapter Four for the cases of judicial reform and anti-corruption in Argentina, the concept of 'policy transfer network' will be replaced by 'pro-reform network'. There are two main reasons for this conceptual-methodological decision, and these reasons are linked to some caveats in the networks literature. First, the idea of 'transfer' implies a one-way process in which ideas flow uncontested from one source to another. Conceived this way, the idea of transfer, pioneered in the literature of public policy by Dolowitz and Marsh (1996; 2000) assumes a voluntary or coercive process in which the ideas, policies, and institutions within one political or social system are based upon the ideas, policies and institutions emanating from other political or social systems which have already those programmes in operation.

This definition is restrictive in that it views the policy process as a one-dimensional and unidirectional transfer of knowledge from one setting to another, leaving unexplored the complexities of policy-making and the actors involved.

Second, the prefix 'pro-reform' contextualises the meaning and the purpose of the concept in contrast to abstract definitions of networks as merely formal structure of actors or collective organisations. The label of 'pro-reform' suggests that the relationship among actors involved is tight not necessarily by reason of values and beliefs, but rather by the endorsement or promotion of particular policies or practices. Pro-reform networks are the manifestation of a group of actors in pursuit the establishment of certain policies. From this perspective, networks are *ad-hoc* phenomena set up at a specific time and with a specific intention.

The policy areas judicial reform and anti-corruption in Argentina accounts for distinctive groups of experts that share knowledge about their particular policy area, as well as principles and beliefs which frame policy proposals (see Chapter Four, Part Four, for details of these actors). These groups of experts resemble what Haas defined as an 'epistemic community', formed by individuals with recognised expertise and competence in a particular domain and with an authoritative claim to policy-relevant knowledge within that domain (Haas 1992: 3). Epistemic communities are key resources, shaping the way in which certain problems are conceptualised in society. Moreover, members of an epistemic community can be absorbed into official circles and policy positions through funding or patronage (Stone 2002a: 134).

Yet, more than comprised of a group of scientists, as suggested by Haas, the set of knowledge produced by local experts related to judicial reform and anti-corruption in Argentina draws from not only their scientific research but more strongly from their advocacy action, campaigns and watchdog activities. For this reason, local experts in these cases are referred as 'epistemic-like community'. Members of an epistemic-like community may engage in a pro-reform network with World Bank officials for the creation of common understandings of a policy problem, its causes and its remedies. They may or may not share a views and perspectives, yet they may be willing to amalgamate and compromise positions toward a policy solution. Moreover, pro-reform networks are often facilitated by 'brokers' who create or support policy networks bringing actors from diverse backgrounds together, even engaging those that might have conflicting views of the world or contradictory interests (Sabatier 1993; Fernandez and Gould 1994; Keck and Sikkink 1998). According to Van Waarden, although they might not necessarily resolve conflicts of interest among different actors, pro-reform networks can articulate and help to institutionalise knowledge in policies (Van Waarden 1992: 33).

In the case of the World Bank, with both funds to disburse and technical advice to give, it can advance knowledge and enrich the data of certain actors, encouraging recipients to develop certain ideas around a problem and facilitating resources for putting them on practice. World Bank knowledge-related activities can, in fact, affect key actors' perceptions and policy-makers decisions in the implementation of certain policies at the domestic level. However, it would be analytically misleading to assume that local actors are passive receptors of knowledge conveyed by the Bank. The apparent recognition of this has led some staff in World Bank research and operational units to engage in networks with local actors via knowledge-related activities, such as learning courses, training, workshops, and expert exchange; and via funding resources such as grants and loans. In this role the Bank staff acts as a 'broker'. This has not been, however, a general pattern throughout the World Bank, as the contrasting experiences of judicial reform and anti-corruption programmes in Argentina suggest (see Chapters Five and Six).

Sources and channels of knowledge articulation, the mechanisms through which knowledge is disseminated and the combination of financial and knowledge strategies crucially affect policy. Networking activities with local experts, NGO representatives, government officials, and other key actors can be effective instruments for the Bank to gain access to policy-makers and key actors who directly affect policy processes. The relationship among actors as well as the conceptualisation of 'broker' does not determine actions in any direct mechanical way but imposes pressures and constraints that define not only the interplay between actors but also policy outcomes (Cox 1986: 217). As the third and final theoretical argument of this thesis suggests:

- The ontological power of the World Bank's knowledge and its instrumentalisation into policy practices defines a new role for the World Bank as a 'norm-broker'. Therefore, the ability of the World Bank to translate lending and knowledge forms into policy change is determined by its capacity to act as a 'norm-broker' engaging with local actors for the diffusion and implementation of knowledge on the ground and creating institutional for further policy formulation.

In order to further the analysis of the role of the World Bank and its capacity to combine financial and non-financial resources in the promotion of governance, the next section defines the characteristics and relevance of the World Bank as a 'norm-broker'.

DEFINING THE WORLD BANK AS A NORM-BROKER

The relevance of the 'norm-broker', as opposed to the mere 'conveyor of funds and knowledge' in advancing policy reform in politically sensitive areas such as anti-corruption and judicial reform is critical in understanding the links between knowledge, material resources and World Bank involvement in governance reforms in Argentina.

The term 'norm' includes standardised knowledge and ideas, principles and practices that are usually framed into paradigms or policy proposals. For the purposes of this study, a 'norm-broker' is defined as an *agent that generates, disseminates and institutes norms regarding a political-economic model.* This definition suggests that the brokerage role features three activities that may be developed independently from each other, but are complementary to the work of the 'norm-broker'.

- As an agent in the *generation of norms*, the norm-broker creates and articulates policy paradigms combining pre-existing and new knowledge around which practices are oriented.

- As a *disseminator*, it propagates policy ideas through four main channels: policy networks; capacity building; journals, reports, press releases; and media websites and cyber forums.

- As an *implementer*, the 'norm-broker' not only utilises knowledge resources creating financial and non-financial instruments for policy change but also engages with local actors through knowledge-related activities for the implementation of programmes on the ground.

The first aspect of the brokerage role, *the generation of norms*, concerns the type of knowledge created, the sources and ways knowledge is articulated, and its purposes. From this perspective, the 'norm-broker' is expected to have an indirect impact on the knowledge/policy relation, affecting development practitioners, Bank staff, policy-makers and other actors' perceptions of development policies – what is known in public policy as 'problem definition and agenda setting powers'. In the case of the World Bank, as explained in Chapter One, it has since the early 1990s adopted and promoted new norms of development identified as *governance*. The governance agenda has evolved as a new development paradigm that promotes institutional reforms as critical conditions supporting economic development. The governance agenda encompasses a series of normative goals linked to transparency in public finance management, accountability and the rule of law, and anti-corruption, among other goals. These goals have been articulated in the CDF and the Strategic Compact, and justified theoretically and empirically through the development of knowledge management strategies for Bank staff and borrowing clients (see Chapter Three). As analysed in detail in Chapter Three, research developed by the DECRG and some operational units, such as the Legal Department, for instance, has been an influential source of codified governance issues. The work of the WBI and the PREM, codified in the form of toolkits, indexes and models and definitions of 'good governance' has also informed policy-making and training within and outside the Bank.

The second aspect of the broker model, the *dissemination of knowledge*, concerns the instruments and channels through which knowledge is passed on to those actors inside and outside the policy process in developing countries. In most cases, the norm-broker establishes direct contact with experts in the field in question, national policy-makers and relevant civil society organisations that might increase the level of legitimacy and support for the advancement of policy ideas and projects. Some channels of knowledge dissemination are learning courses, training, workshops, and publications; funding resources such as grants and loans are also channels of knowledge diffusion. Finally, capacity-building and engaging in networks with local actors are also important mechanisms of policy dissemination that can have a direct impact on the policy-making process. As argued in Chapter Three, the Bank developed a complex knowledge management strategy in order to enhance its reach for effective dissemination of (governance-related) knowledge within and outside the Bank.

The third aspect of norm-brokerage, *the implementation of knowledge*, is related to the outcomes produced in the knowledge/policy relation. This dimension supposes a more direct impact aimed at changing existing policies and institutions at the local level of implementation. While the generation and dissemination of knowledge by the World Bank reinforces global power relations, the implementation of policy ideas institutionalises new norms that facilitate those relations at the domestic level (Samoff and Stromquist 2001: 637-40). Therefore, the role of the World Bank as an *implementer of knowledge* is related to the ways and extent to which Bank staff can effectively combine material (funding) and non-material (knowledge) resources in the development of policies and institutional bases for policy making and policy implementation in developing countries. Moreover, while articulation and dissemination of knowledge *per se* imply a one-way direction in the relation between knowledge producers and knowledge users, the implementation of knowledge implies involvement in political and institutional contexts. Thus, the construction of consensus for the implementation of policies is critical, as is the role of pro-reform networks. Network activities with local actors can effectively articulate a productive exchange between local experts, decision-makers and implementers (Stone 2004: 11-12). The articulation between global/World Bank best practices and codified knowledge and context-based local knowledge not only defines the role of the Bank either as a norm-broker or as a mere conveyor of funds and knowledge in the implementation of development norms, but also defines the prospects for the reform process in developing countries.

The framework of analysis applied in this thesis to the World Bank may also be seen in other international organisations, such as the UNDP for its governance and development programmes, the World Health Organisation for health and policy planning; other regional and bilateral development agencies such USAID, DfID, NORAD; and NGOs and foundations such as Rockefeller, Ford, Carnegie or the International Development Research Centre (IDRC).

The World Bank as a *Norm-broker* and as a *Conveyor* of Funds and Knowledge

It was suggested earlier in this analysis that two factors affect the power of the World Bank in advancing policy change. First, World Bank knowledge has a powerful ontological effect in establishing governance-related practices as a legitimate policy paradigm for implementation in developing countries. The weight of the World Bank as major donor for these countries aids the acceptance of its knowledge and its materialisation in social practices. Once knowledge becomes 'routine', it is established as a norm around which practices are oriented (Porter 1999: 142). Second, knowledge creates new lending instruments for policy reform and reinforces their implementation.

The relevance of the norm-broker rests not only on its capacity to articulate and disseminate/diffuse policy ideas, but also on its ability to institutionalise those ideas into policies. The promise of funds usually acts as a catalyst for the emergence of policy proposals, but material resources are only an incentive and not the determining factor for a policy to be implemented on the ground. Likewise, the broker needs to build the local base upon which effective and appropriate policy can be developed. As a result, the norm-broker bridges the gap between the World Bank's policy frameworks and local knowledge by integrating local experts into the framing and implementation of policies. Accordingly, the broker does not merely *transfer* knowledge, but articulates 'best practices' based on contextual knowledge produced by local actors. For this purpose, the broker interacts with local actors 'for the exchange of information, expertise, trust and other policy resources' (Kenis and Schneider 1991: 25).

Further, this thesis shows that despite its financial and knowledge leverage the World Bank cannot implement its own programmes on the ground and thus engaging with local actors is purposeful. Negotiation and implementation of projects are context-dependent and thus actors, incentives and resources shape the path and depth of these processes. In other words, both the Bank as donor and local actors as recipients have incentives that may affect the prospects of reform.

The cases of judicial reform and anti-corruption analysed in subsequent chapters show that the World Bank can act as a mere conveyor of apolitical, technical blueprints and funds or as a norm-broker that engages with civil society actors in the articulation of knowledge, supporting the implementation of reforms. Moreover, in the combination of funding and knowledge Bank staff face a dilemma: either they promote governance-related programmes on the basis of pre-conceived ideas of what constitutes good policies and good reforms, or Bank staff engage with local experts to compromise and amalgamate positions utilising joint expertise in the framing of policy reforms and their implementation. In this context, power emerges out of the relations between certain actors and World Bank staff. By supporting certain knowledge or paradigms, the World Bank empowers certain actors who can promote the Bank's agenda.

The argument that World Bank staff must engage in a network with local experts and conveyors of knowledge departs from the models of social change that relied upon one-resource determinism. Drawing on Gramsci's notion of power and the dominant paradigm relying on a particular configuration of material, ideological and social forces, this thesis emphasises the importance of local actors, in particular local experts, for the legitimisation and materialisation of political projects. In a country like Argentina, where there exists a strong base of local experts who had worked on policy reform in the areas of judicial and anti-corruption prior to the arrival of the Bank mission in the country, the development knowledge and support of policy expertise can make the difference between achieving consensual long-term reforms, or failure from the lack of support and legitimacy for the reform of institutions.

CONCLUSION

This chapter has explicitly taken an explanatory turn by setting out the theoretical framework employed in the thesis. The chapter offered a framework that draws on Neo-Gramscian perspectives in IPE and actor-oriented models of policy making to analyse the ways and extent to which the World Bank has acted as a 'norm-broker' in the generation and diffusion of knowledge relating to governance programmes such as anti-corruption and judicial reform in Argentina since the 1990s. Theoretically, this thesis departs from traditional studies of world politics that have generally tended to identify relations between developing countries' governments and international financial institutions as solely determined by the financial leverage of the latter. It proposes that material resources in the form of financial activities and conditional loans are not enough to institutionalise policy paradigms.

The chapter opened with a review of the literature on the World Bank and policy reform. In this context, Neo-realist, Neo-liberal Institutionalist and Constructivist approaches were assessed. It was argued that traditional approaches to the World Bank as a coercive and disciplinary actor, represented by the first two perspectives, overemphasise its role as an external constraint to state actions, overlooking other aspects such as policy-making processes, the actors involved from borrowing countries and World Bank staff. Despite attempts to link knowledge and policy-making, more recent constructivist and 'knowledge-based institution' or 'Knowledge Bank' accounts do not put forward any critical analyses in considering relations between donors and borrowing countries, overlooking, in consequence, knowledge and policy as contesting processes. Moreover, few empirical studies have demonstrated the process by which 'knowledge-based institutions' affect actual processes of policy-making, as most of this literature concentrated on the analysis of the institutional characteristics of adopting knowledge management strategies within international organisations. In addition, it was argued that a general tendency in the literature on the World Bank has been to refer to it as a monolithic actor, without exploring the different forms of involvement by different Bank units in policy reforms.

The chapter assumed that the power of the World Bank in advancing governance reforms, via knowledge and funding, is a contested process that not only affects the *transfer* of funds and ideas but also their *institutionalisation* into policy change. A key theoretical challenge in the development of this argument is the inclusion of a critical understanding of knowledge as a powerful resource without reducing it to a stand-alone explanatory factor. From this perspective, the benefits and limitations of critical IPE to the analysis of knowledge and power were assessed. Moreover, to explain the ability of the Bank to translate knowledge into policy reform on the ground, IPE theoretical positions were combined with actor-oriented models of policy networks. As it was argued, the use of network models helps in the understanding of the activities developed by actors for the achievement of certain goals. It also permits the tracing of empirical patterns that explain the divergent results in the cases of anti-corruption and judicial reform in Argentina.

The chapter introduced a definition of 'norm-broker' to explain the capacity of Bank staff to articulate global/World Bank best practices and context-based local knowledge. This role contrasts to the staff acting as a simply conveyor in the transfer of funds and paradigms. The notion of norm-broker suggests a relational conceptualisation of power in that brokerage does not denote neutral intervention; rather, Bank staff 'craft consensus' and support certain actors to carry through politically sensitive projects. It also departs from deterministic definitions of power in terms of the transfer of a dominant paradigm to *passive recipients*. In this framework, a concept of pro-reform networks was also introduced to explain how ideas are put into practice, and how the role of the Bank as a norm-broker enhances the likelihood of policy change. These points are critical in complementing discussions within the Bank about how to conceptualise the policy outcomes of its own operations. To better understand the role of the World Bank in advancing governance reforms by a combination of funding and knowledge, the next chapter explores types of knowledge and knowledge-management strategies developed within the Bank over the last decade.

CHAPTER THREE

KNOWLEDGE MANAGEMENT IN THE WORLD BANK

INTRODUCTION

This chapter analyses knowledge management as an asset in the World Bank's promotion of governance-related goals. The Bank's influence and financial leverage have been enhanced by the development of its authority in the creation, dissemination and implementation of knowledge related to what constitutes good economic policy. This has been particularly the case since James Wolfensohn assumed the presidency of the World Bank in 1995. Moreover, it has been argued that the World Bank has regained prominence in both global development assistance and in the field of economic development since it began earning recognition not only as a development agency but also as a 'knowledge-based institution' (Gilbert *et al.* 2000; Pincus and Winters 2002; King and McGrath 2004).

As argued in Chapter Two, central to the Gramscian approach to power is the non-material dimension of influence that is part and parcel of a complex policy process in which the dominance of a particular actor or paradigm *vis-à-vis* other contending actors or ideas is not simply reinforced by coercive means but rather in consensus building. Drawing on this perspective, this thesis contends that in addition to financial resources knowledge-related activities help to create and reproduce consensual ideas about certain policy paradigms.

To explore the role of the World Bank in managing knowledge and funding policy reform in developing countries, this chapter analyses knowledge management as manifested by two trends: (i) the establishment of internal knowledge management strategies based on staff to staff transfer of knowledge via codified knowledge, training and networking activities; (ii) activities fundamentally oriented towards the influence of actors at the country level for the promotion of policy and institutional reforms.

The analysis of this chapter is central to the development of the argument that is explored throughout the thesis, namely, that production and diffusion of knowledge has become a critical factor within the structure of power and global scope of the World Bank as it enhances its capacity to implement politically sensitive reforms in developing countries. Yet, although the Bank's knowledge has an indisputable ontological effect, it is also suggested that the mere 'transfer' of knowledge as a commodity does not necessarily lead to the institutionalisation of policies on the ground. As a result, the ability of the World Bank to translate knowledge into instruments of policy change depends on its capacity to act as a 'norm-broker' that engages with local actors in order to reproduce policy ideas to implement them on the ground.

This chapter is divided into four parts. The first part explores changes within the Bank that led to the establishment of knowledge management as a manifested strategy within development assistance. It also discusses how knowledge became increasingly considered as an instrument to help create incentives inside and outside the Bank for the implementation of new development goals.

The second part analyses the type of knowledge produced within the World Bank. For this purpose the work and implications of DECRG in codification of World Bank knowledge is particularly explored. This section also examines some mechanisms of knowledge management developed within the Bank that encouraged the exchange of knowledge among the Bank staff and the construction of consensual knowledge within the institution, in particular internal networks, such as PREM in the Public Sector Group, which played a significant role in the area of governance.

The third part of the chapter focuses on how knowledge management manifests in the fashioning of lending programmes. It sets out some arguments on knowledge and policy-making that are later developed empirically in Chapters Five and Six. It focuses, in particular, on the implications of knowledge management for the work carried out by task managers on the ground.

The fourth part of the chapter analyses the role of knowledge management in relation to external actors and the distinctive role of the WBI and the PREM in engaging with local actors for policy reform. It is argued that the brokerage of ideas by networks of actors is critical for the creation of a broader consensus for the implementation of policy ideas and institutional reforms in developing countries. The promotion of these networks has been central in the reproduction and implementation of certain policy paradigms and sound reform programmes. In this context, the ways in which Bank staff can combine knowledge to engage with local actors who can act as catalysts of reforms is explored. The chapter closes with some concluding remarks and suggests a way forward for the study of the empirical cases offered in subsequent chapters.

INTERNAL EFFORTS TOWARD THE KNOWLEDGE BANK

Since the mid-1990s the World Bank has undergone a major reorganisation process following the adoption of two new corporate strategies; the Strategic Compact which relates to the institutional culture and infrastructure that sustain the work of the Bank, and the CDF, which focuses on the nature and rationale of programmes for development goals (see Chapter One). As a consequence of this reorganisation, the Bank experienced a critical change in terms of its operational agenda and of the tools needed to pursue new goals of development.

Since its foundation in 1944, the World Bank has evolved as a provider of both financial and intellectual products such as data and information, policy advice, and policy paradigms. Project lending and technical support have been the pillars of its mandated goal of poverty alleviation. Kapur *et al.* highlighted the fact that 'one of the continuing challenges for the institution over the years has been to find and sustain a proper balance between the Bank's intellectual products and its resource transfers' (Kapur *et al.* 1997: 5).

During its first 10 years the World Bank concentrated its lending portfolio on infrastructure projects, such as roads, dams and bridges. In the 1960s the creation of the International Development Association (IDA) marked a turning point as the Bank not only increased the number of its country members, drawing in the poorer countries, but also broadened its lending to embrace new poverty alleviation programmes linked to sectors such as agriculture, water, education and health.

Research activities within the Bank blossomed in the 1970s during the presidency of Robert McNamara, when new ideas were introduced as poverty reduction became the focal point of the Bank's operational agenda. In this context, a new emphasis on economic research was aimed at 'provid[ing] analytical guidance to the institution's regional and country policy economic staff' (Kapur *et al.* 1997: 17). The creation and use of knowledge and of research outputs became critical for the World Bank not only in support of economic and social development, but also in its role of agent setting standards, best practices, or norms, and persuading actors to follow suit. Well-documented techniques and knowledge are instrumental in helping international organisations formulate actors' incentives and influence their decisions regarding certain norms and practices (Finnemore 1993; 1996; Finnemore and Sikkink 1998). Research completed within the World Bank, including documents commissioned by the Bank, served three main purposes: it guided its lending operations; presented a coherent programmatic perspective to the representatives of recipient countries; set standards for reference in academic and policy arenas (Samoff 1992).

Although knowledge management did not emerge as a discernible strategy until the mid-1990s, some activities within the Bank had earlier streamlined research production in line with the operational priorities and policy prescriptions promoted by the Bank, in particular the priorities accompanying changes of tenure in the Bank presidency. During the 1980s, for instance, the intellectual leadership was determined by the new president of the Bank, William Clausen, and its chief economist, Anne Krueger. Together they consolidated a critical attitude towards ideological standards during the tenure of Robert McNamara and his approach to development and poverty reduction (see Kapur *et al.* 1997). The economic school of thought associated with neo-liberal orthodoxy influenced the development agenda pursued by the new administration (Kapur *et al.* 1997: 1194). In this context, a new Economic Research Service Vice Presidency was created to centralise knowledge production. In turn, research and knowledge production became 'a unit selling ideology instead of objective research', as knowledge was aimed at justifying contentious operations related to structural adjustment (*ibid.*). Moreover, as claimed by Stiglitz during the decade of the 1980s, the World Bank became a 'missionary institution' through which ideas of free-market ideology were pressed upon developing countries via structural adjustment programmes and research outputs (Stiglitz 2002: 13). The promotion of these ideas necessitated a purge inside the Bank, in particular in its research department. As described by Stiglitz, in the new ideological fervour, many of the first-rate economists who had contributed with knowledge-outputs during the tenure of McNamara left the Bank (*ibid*).

By the end of the 1980s, however, the failure of structural adjustment programmes in bringing about sustainable development forced development practitioners to reconsider the foundations necessary for sustainable development. New concerns about the role of state institutions, accountability in public administration and democratic standards took over the development debate. Within the World Bank a new agenda of governance emerged, fostered by the operational units that dealt with Sub-Saharan African reform programmes and was concurrently taken up and adapted by the DECRG, which presented it in its research outputs as a new institutional approach.

From the early 1990s the introduction of new norms of development linked to governance-related norms broadened the area of involvement and the operational approach of the World Bank addressing, for instance, rule of law, anti-corruption and judicial reform as priorities within the Bank's operational agenda (World Bank 2000a; World Bank 2002; also Chapter One). The introduction of the concept of governance affected the World Bank's way of doing business. Governance has, in effect, not only changed what the Bank does, but also how the Bank does it (Santiso 2003: 5). The new agenda, however, was carefully justified by defining governance in isolation from its political content, and thus as a technical, apolitical approach to economic development (Casaburi *et al.* 2000: 497). Progressively, the work of the World Bank's operational units was grounded on a broader array of lending and non-lending instruments that significantly increased the capacity of Bank staff to design and implement new programmes. As argued in Chapter One, governance not only represents a critical break with the World Bank's traditional apolitical and technical agenda, but also a break with traditional operational patterns. Innovative knowledge and staff capacity building in this area were sought to help create incentives within and outside the Bank for the implementation of politically sensitive reform programmes.

Thus, as part of a broader strategy and in accordance to the principles of the Strategic Compact and the CDF, president Wolfensohn and other key actors within the Bank, in particular staff from the Operational Service area, supported a new strategic view that considered knowledge as a critical instrument to effectively advance new governance-related programmes. According to Bruno Laporte, manager of Knowledge and Learning Services at the World Bank, 'the idea was to change the vision of the Bank from that of a financial institution to that of a knowledge bank. In this framework, Laporte claimed that knowledge came to be considered as a currency, as part of a broader recognition that 'lending alone cannot achieve the goal of sustainable development' (Laporte 2004: interview). In addition to the logic besides the logic of 'learning by doing', the repositioning of the Bank in terms of mission and authority was closely associated with the results of previous internal aid assessments, in particular the Wapenhans Report, which raised concerns among practitioners, scholars and NGOs within and outside the Bank (Caufield 1996). The most challenging critique was related to the effectiveness of conditionality in conducting policy change. In effect, the Portfolio Management Task Force headed by Willi Wapenhans in 1992, revealed that the Bank was not enforcing 78 percent of its terms of loan conditionality and that the pressure to guarantee loan approval was eclipsing the Bank's ability to monitor performance and secure satisfactory results (Caufield 1996: 259-260).

Traditionally, conditionality was an effective mechanism for enforcing externally-promoted policy change in areas of macroeconomic reform such as trade liberalisation, structural adjustment and privatisation. Particularly during the 1980s, the leverage of conditionality as an enforcing mechanism was enabled by the circumstances of debt crisis and the highly restricted international financial markets that reduced the access of developing countries to private capital (Stallings 1992: 43-44). The easing of the international market during the 1990s, however, changed the position of international financial agencies *vis-à-vis* the 'free-of-condition' private market. In this context a new debate was opened questioning the leverage of conditionality as an effective instrument in assuring compliance with the policy prescriptions attached to World Bank lending programmes. Likewise, other concerns were also raised pointing to the negative effect of conditionality on countries' 'ownership' (Nelson 1997; Birdsall 2001). Soon, it was argued not only that the imposition of conditionality by donors' lending failed to bring about policy change (Collier 1997; 2000; Killick 1998; 2004), but more radically, that consensual activities that gained legitimacy in development practices, in particular the involvement of civil society in policy debate and the design of reforms, was critical for the implementation of policy reforms (Nelson 2001; see Chapter Two for a theoretical discussion on leverage of the Bank). Critiques of the role and effectiveness of conditionality as an effective mechanism of policy change were further reinforced in the aftermath of the Asian crisis in 1997 (Santiso 2002; Stiglitz 2003).

The need to streamline the Bank mission as a consequence of growing criticism of its management and progress catalysed the refocusing and reorganisation of the World Bank. Although the emergence of the 'knowledge agenda' is not linked directly to the emergence of the 'governance agenda', they are both the product of this reconsideration of the Bank's mission and operational activities that took place soon after Wolfensohn took position as president of the Bank. In this view, rather than losing reach and scope the World Bank has regained its authority by combining the creation and dissemination of knowledge about good economic policy with the financial instruments to put those ideas into practice. The Bank's infrastructure thus evolved to integrate money and knowledge within the work of its operational units. Knowledge management was sought as a critical resource that has the potential to affect incentives and policy choices within and outside the Bank.

In their account of the evolution of the 'Knowledge Bank' Cohen and Laporte stated that in 1997 'the Bank's shareholders and management agreed to finance a 30-month series of changes in how the institution did business' (Cohen and Laporte 2004: online version). This corporate change, framed in the Strategic Compact, not only emphasised Wolfensohn's new vision, but also formalised a drastic changes in resources management to strengthen the creation, sharing and application of knowledge (Carayannis and Laporte 2002: 8). According to Cohen and Laporte:

> During the Compact's term, some \$50m a year were spent on the creation of a knowledge-management system, including the development of knowledge communities supported by knowledge managers and co-ordinators in operational units that facilitated and encouraged cultural change to foster knowledge sharing. (Cohen and Laporte 2004: online version)

As a consequence, a significant internal effort was made to capture, utilise and diffuse knowledge. A strong focus on the importance of knowledge for Bank operations began within the Bank in 1997. According to the 2003 report of the World Bank's OED, the development of knowledge management as a new corporate strategy included:

- Renewing the skills of the Bank staff
- Reorganising the administrative structure of the Bank to reflect the new mission
- Using and sharing individual staff knowledge based on experience (tacit knowledge)
- Articulating in-house and outside knowledge into codified knowledge, creating standards and best practices

- Enhancing the learning environment (merging staff training activities traditionally carried out by the Economic Development Institute with new capacity building courses for staff and new policy actors in developing countries now carried out by the WBI created in 1999 for that aim)
- Developing networking activities among staff and with outside partners, taking advantage of telecommunications and related technologies (World Bank 2003)

To achieve these objectives, the Bank appointed a Knowledge Management Secretariat whose responsibility was to reorganise the Bank's activities for the achievement of knowledge management internally and externally. In 1996, Steven Denning was designated Programme Director for Knowledge Management; this programme was later transformed into the Operation Core Services (Denning 1998; 2000).

Increasingly, within and outside the Bank its significance as a development institution was regarded not only in terms of money but also in terms of its capacity to influence countries' policies via technical advice and knowledge diffusion. Even though the World Bank has always been recognised as a major source of development ideas and economic development research, Wolfensohn's administration envisioned knowledge as a powerful asset within the Bank's operational strategies. Wolfensohn's determination was clear from early in his tenure. In his autumn 1996 Annual Meetings Address to the World Bank Wolfensohn stated:

> We have been in the business of researching and disseminating the lessons of development for a long time. But the revolution in information technology increased the potential value of these efforts by vastly extending their reach. To capture this potential, we need to invest in the necessary systems, in Washington and worldwide, that will enhance our ability to gather development information and experience, and share it with our clients. We need to become, in effect, the Knowledge Bank. (Wolfensohn 1996: 7)

According to Ranis, the adoption of a new knowledge management profile led the Bank to develop a 'double circulatory system', one based on the research wing and the other on lending operations (Ranis 1997: 79). Although there are some units and *ad hoc* groups exclusively dedicated to the generation and diffusion of knowledge (such as

DECRG, WBI, the Development Gateway and GDLN, for example), the distinction between research and operational units is blurred in certain areas at the intersection between knowledge and lending operations. The reorganisation that followed the recommendations of the Strategic Compact led, in effect, to the creation of internal networks cutting across units and regional divisions to provide support for Bank staff in issues related to the development paradigm and aid assistance (see also Chapter One, Part Three). In this context, the PREM network has been particularly relevant in capturing and articulating internal knowledge and staff know-how regarding governance-related issues.

In order to advance the analysis of knowledge produced and disseminated by World Bank units, the next section concentrates on types of knowledge produced within the Bank, in particular that of the DECRG, the PREM and the WBI.

TYPE OF KNOWLEDGE

Knowledge production within the World Bank reflects the complexity of an institution that employs approximately 12,000 people, of which it is estimated that 8,000 are trained in economics and finance in U.S.A and U.K. universities (Woods 1999). This fact suggests that knowledge not only comes from different sources and produces outcomes, but also that the nature of that knowledge production is characterised by the nature of the staff enrolment.

In general terms, most of the knowledge produced within the Bank is publicly available. This has been especially the case since the early 1990s with the adoption of the Bank's information disclosure policies in 1994 and the establishment of Public Information Centres (PICs) around the world, which provide the general public with copies of Bank publications and access to the Bank's website. As part of the Strategic Compact, PICs were established in the Country Offices. This scheme, however, does not apply for the type of confidential research and reports, such as the Reports on the

Observance of Standards and Codes (ROSC), produced in certain departments of the Bank. For instance, research that focuses on country sector assessment and risk analysis is still treated as confidential. This type of knowledge output is part of the technical assistance and background for the use of country directors and officials from developing countries at the ministerial level. In contrast to public knowledge, this confidential type does not serve 'education/training purposes' (Rouillon 2004: interview).

The Bank's DECRG undertakes research that informs the Bank's work on broad issues such as the environment, investment climate, governance, etc. The topics are suggested and the research led by its chief economist. The type of analysis produced by DECRG focuses on both current events and long-term trends in capital flows that affect the conditions leading to growth in developing countries. The DECRG represents 'an engine of knowledge generation *par excellence*' (Reinikka 2004: interview). Its research outputs provide normative and conceptual guidance for staff work. The DECRG conducts prospective research with the aim of contributing to the literature on development economics in general as well as to the approach to development economics pursued by international financial institutions. The DECRG contributes to background ideas that constitute the norms and principles of the 'optimal development paradigm'. It therefore helps by improving development frameworks and data sources that inform senior managers' lending operations. Knowledge produced within the DECRG has followed the changes, adjustments in approach and programmatic agenda of the Bank over the years. The reputation and expertise of its staff together with the claim to 'neutrality' and its 'apolitical' technocratic approach in cross-country and thematic analyses, have given the Bank 'an authoritative voice with which it has successfully dictated the content, direction, and scope of global development over the past fifty years' (Barnett and Finnemore 1999: 710).

Among its main research outputs, the DECRG is in charge of producing: the World Development Report; Working Papers; Policy Research Reports; ABCDE Conferences; Household Surveys; Data and Statistics Databases; other reports such as the Global

Development Finance and the Global Economic Prospects; and World Bank Journals, such as The World Bank Economic Review (WBER) and The World Bank Research Observer (WBRO).

The empirical research produced within the DECRG and presented via these outputs frames the policy ideas that are translated into the policy programmes. The *conceptual use* of this knowledge involves important policy matters that affect the institution as a whole and is almost always associated with macro-level decisions (Caplan 1979: 464, quoted in Neilson 2001). Several actors from inside and outside the Bank have pointed to the capacity of the WDR, for instance, to frame the course of action of development practitioners, consultants and researchers (Squire 2004: interview; Biebesheimer 2004: interview; Mason 2004: interview). Other studies demonstrated that the Executive Directors representing developing countries are supported more by their 'in-house machinery' than by external knowledge production (Riggirozzi and Tuplin 2003). Others highlighted the influence of the operational units in translating 'codified knowledge' into lending programmes (Franche 2004: interview). In effect, knowledge products of DECRG provide the rationale for lending and other operational strategies of the Bank.

The kind of information produced by the DECRG promotes the actual development paradigm that is supported by the Bank. This is reflected in its flagship institutional publication, the World Development Report. During the 1980s, for instance, the policy paradigm advocated by the Bank dealt with macroeconomic adjustment and deregulation of the economy as the main tools for resolving the debt crisis in developing countries. This economic paradigm identified with the Washington Consensus was evidenced in the content of the WDR of that decade, in particular those of 1983 to 1987 (Stern and Ferreira 1997: 539; Woods 2000: 141). In recent years, for example, the World Bank's DECRG intensified the focus on institutions as new economic foundations providing evidence of the economic opportunities created by institutional and public sector reforms.

These theoretical underpinnings have accompanied the trends of the Bank's lending portfolio during the last 15 years. The economic implications of sound institutions represent a critical departure from the economicist and technocratic norm prescribed in the Washington Consensus. The type of knowledge produced by the DECRG serves the purpose of 'educating' Bank officials and policy makers in general by a process that expects in time accumulation of research to influence policy. The influence of this type of knowledge is based on its ontological power as it integrates what Sending describes since *factual claims,* involving the description and definition of the characteristics of a phenomenon; and *normative principles,* offering the morally grounded values and ideology used to legitimise the policy formulation (Sending 2004: 58-59). As put by Squire:

> This [the provision of knowledge] then, justifies the World Bank's involvement in development research – international institutions may be able to solve what otherwise would be a difficult problem of coordinating the actions of many countries to create and disseminate knowledge that the developing world needs. (Squire 2000: 109)

The capacity to generate empirical data and to capitalise on an institutional memory identified as the 'Knowledge Bank' has been a powerful mechanism to justify and legitimise specific policy ideas. The World Bank has the financial capacity to create new, and articulate existing knowledge to frame policy paradigms, as well as to disseminate it and translate it into policy programmes at the level of policy-making. Some have argued that the strategy of knowledge management adopted a global public goods approach as it offers global solutions based on 'what constitutes good economic policies and best practices' (Myers 2004: interview; Gilbert *et al.* 2000). As claimed by Sending:

> This conceptualisation incorporates how politically motivated actors integrate scientifically produced knowledge in the form of facts, concepts or theories in order to: (i) convince others *that* a certain phenomenon is a problem, (ii) that this problem is best understood in a certain way, as shown by the facts presented, and (iii) link these factual claims to *normative* principles giving moral force to the argument that it should be resolved. This perspective thus subjects the factual dimensions of political processes to the interests and normative commitments of actors, in the sense that knowledge is used to justify and legitimise calls for adopting certain policies to resolve what is seen to be a problem that 'ought' to be resolved. (Sending 2004: 68, italics in the original)

Based on factual characteristics and normative principles, knowledge determines attributes that are used by Bank officials to define specific development problems that justify Bank assistance. Furthermore, such knowledge may also be used by external actors to obtain funding or justify their adoption of certain policies and projects. Hence, the World Bank knowledge not only frames meanings on what constitutes 'good economic policies', but also creates the demand for funding to apply that knowledge at the country level. From this perspective, World Bank knowledge is not a neutral apolitical commodity. Some authors point out that World Bank knowledge is a vehicle to promote its own neo-liberal agenda, leaving little or no room for contending ideas and alternative knowledge and development proposals (Ferguson 1990; Goldman n/d; Mehta 2001; Wilks 2001). As paradigmatic examples, some analysts have taken the cases of World Bank senior officials who resigned their positions after mounting pressure when they publicly opposed the economic principles underpinning Bank lending strategies. In effect, Bank senior economists were dismissed when they questioned World Bank empirical research outcomes and its approach to poverty and growth. The departures of Joseph Stiglitz, Chief Economist from 1996 to 1999 and special advisor to the president; Ravi Kanbur, Director of the WDR 2000, *Attacking Poverty*; and Senior Research Economist, William Easterly, are cases in point as they illustrate the tensions associated with 'managing' apolitical knowledge (Tandon 2000; Ellerman 2001; Wade 2002; Wilks and Lefrançois 2002). Other cases of 'institutional censorship', as reported by Wilks, similarly affected researchers who attempted to publish views critical of the 'official line' (such as Branko Milanovic's on trade, globalisation and increasing inequality in developing countries). Their drafts were heavily edited or simply not approved for publication as they deviated from the 'institutional voice' or 'party line' paradigm (see Wilks 2004). Reflecting these conflicts, it was claimed that World Bank knowledge management became a new hegemonic attempt to exert influence and a monopolist control of the field of development economics (Mehta 2001).

The background and codified knowledge is not confined to the work of the DECRG. In governance-related and public sector management issues, the PREM and the WBI have developed toolkits, indexes and 'hard data' on performance (Hammergren 2004: interview). In particular task managers and experts within the PREM, such as Linn Hammergren, Rick Messick, and Waleed Malik have published position papers, paradigmatic cases and approaches related to institutional reforms in the PREM-notes series (see PREM Notes at www.worldbank.org/prem. 12 February 2005). The World Bank's Legal Department has also contributed codified knowledge based on assessment work and sector studies that extract lessons from programmes implemented in developing countries (see Chapter One, Part Four, for examples of codified knowledge generated within the Legal Department). Consultative groups and other knowledge management facilities, such as the Development Gateway and the Development Grant Facility also articulate knowledge through the coordination of programmes that provide information and research opportunities at the level of developing countries (see http://www.gm-unccd.org/FIELD/Multi/WB/FR_DGF.htm. 2 August 2005).

The position of the World Bank as a major provider of knowledge and codified 'best practices' is particularly influential in those countries with scarce analytical and financial capacity to produce local research. Yet, the mere existence of research and codify paradigms does not guarantee subsequent 'rules of engagement' between Bank task managers and local actors. Hence, it can be argued that what makes the World Bank's knowledge 'powerful' is not that it is a major producer of research and data but that it has the capacity to implement that knowledge on the ground. As the research output produced by the DECRG is mostly aimed at knowledge generation it is often difficult to link to action and/or policy impacts. Policy change as a consequence of knowledge mobilisation requires an explicit integration of policy paradigms into the policy process.

The claims that the World Bank is powerful because it strictly 'monitors scientific norms inside and outside the Bank', or that 'staff behaviour is strictly monitored', or even that 'the world of knowledge producers is being *structurally adjusted* to work more closely with the World Bank' as put by Goldman (n/d, emphasis in original), are useful standpoints from which to understand changes in knowledge management, but do not say much about the ways and extent to which actors' incentives, including those of the task managers and of local actors involved in the process of negotiation and implementation of programmes may inhibit or facilitate the influence of knowledge in policy change. In other words, although World Bank's codified knowledge has effectively framed development ideas and agendas (Bøas and McNeill 2004), to analyse the impact of these ideas on policy change other than looking at the dissemination aspect of management, it is essential to analyse the interplay between knowledge producers, knowledge users and policy processes at different levels of authority.

Knowledge-sharing among Staff

Within the Bank some units and officials have acted as internal brokers of knowledge in that they propagate policy ideas and country experience through three main channels: engaging in networks; participating in capacity building and staff training activities; and sharing experiences via 'brown bags' series, reports, press releases and newsletters. Websites and cyber forums have also been major instruments of knowledge transfer among staff. These activities have aimed at creating or changing incentives of actors and policy choices by means of knowledge production as well as knowledge dissemination and exchange. For instance, groups of experts and staff working on knowledge management within the Bank engage in brokerage activities by establishing direct contact between experts within the Bank, with other experts and scholars within the field of development economics, and with national policy-makers and other social actors at the country level. These exchanges are aimed at increasing the level of legitimacy and support to advance policy and institutional reforms in developing countries. The brokerage of ideas by networks of actors that communicate knowledge outputs to potential users is critical in the process of policy diffusion and implementation. As Stone argues:

> Through networks, participants can build alliances, share discourses and construct consensual knowledge. From this basis, policy entrepreneurs can work to shape the terms of debate, networking with members of a policy making community, crafting arguments and 'brokering' their ideas to potential supporters and patrons (Stone 2000: 15 quoted in Neilson 2001).

The links between knowledge management and operational units within the Bank enhance the level of internal validation of the development policy paradigm, as well as the development of a party line for the shaping and implementation of programmes at the country level. In recognition of this, in the Autumn of 1996 the programme director for knowledge management appointed by the president was given the task of designing programmes, as well as fostering networking activities among Bank officials to improve the exchange of knowledge and lesson-drawing for Bank operations. Additionally, staff previously involved in operational units and lending-related tasks were appointed to new positions to facilitate the development of networks involving Bank staff from operational units and knowledge production (Messick 2004: interview). Endorsement by the top executive of the Bank in the launch of such a corporate reform with such implications in terms of changes in its institutional culture was essential to the implementation of the knowledge management programmes in developing countries.

The exchange of experiences among staff, or what was also referred as 'tacit knowledge' (Stiglitz 1998b; 2000), also 'contributed to justify why to work on certain programmes, such as judicial reform, but most importantly, it assisted on how to do things, what kind of reforms are needed' (Hammergren 2004: interview). Tacit knowledge is inherently linked to the factual results of the management line in the negotiation and implementation of programmes and projects at the country level. This type of knowledge, which conforms from practice, is conveyed and developed by staff and management line officials who design, negotiate and implement funded-programmes in developing countries. Hence, the exchange of knowledge based on staff experience is complementary to the codified knowledge produced by research units such as the DECRG. Moreover, cross-country operations can help close the gap between 'axiomatic arguments – usually associated with codified knowledge (for instance, 'a well-functioning judiciary is essential to economic growth') – and a better understanding of how politics operate on the ground (Hammergren 2004: interview).

Defining what kind of knowledge is to be shared, and how, is a strategy based on the business needs of the organisation. Sharing knowledge has been perceived by some staff, and particularly encouraged by the presidency, as part of a strategy to enhance organisational performance and therefore the Bank's global impact. As argued in Chapter One, networking activities have been crucial for the objective of knowledge management. By forming networking Bank staff codify knowledge and specific definitions of policy problems (see Chapter One, Part Three). According to Stone, networking activities among staff facilitate a process of knowledge marketing, synthesising and popularising information (Stone 2002b: 292). Networks organised around common themes collect sector and country development knowledge that is also used in the definition of 'best practices' for further programme implementation.

The network dynamic among Bank staff has resembled what was identified in the literature of public management and public policy as a 'community of practice' (Wenger 1998). Defined by its form and content, a community of practice is 'a group of professionals, informally bound to one another through exposure to a common class of problems, common pursuit of solutions, and thereby themselves embodying a store of knowledge' (Manville and Foote 1996, quote in Pommier 2004: 30; also Wenger 1998). Applied to knowledge management in the World Bank, community of practice involves producers and users of knowledge who articulate definition of problems and practical know-how; in other words a *common sense* or systematisation of practices in the form of codified knowledge. This knowledge serves as a foundation or building block for consensual understandings and the legitimation of economic approaches.

The exchange of experiences in areas of intervention, policy instruments and practices has been undertaken by means of training programmes, forum discussions, informal learning clinics, thematic groups and help-desk activities that reinforce not only further networking patterns among the staff of operational units, but also brings together the products of the research departments helping to mainstream staff skills. In the case of governance-related topics, training activities were originated and developed by the WBI. More recently, however, the training budget and the responsibility for course content and implementation were transferred to the PREM network. A newly established 'Public Sector Governance Board' monitors the knowledge activities developed by the PREM network. This Board was set up to bring together people working across the Bank on lending and non-lending activities that related to core public sector management and judicial and anti-corruption reforms of the six regional units within the Bank, together with the research outputs produced by the DECRG and the activities promoted by the WBI. In this context, the Board monitors the provision of logistical support and what is called 'problem-solving knowledge' that may be used for specific decisional choices (Neilson 2001).

Some examples of knowledge and training activities developed within the PREM in relation to governance programmes are:

- Corporate Strategy Documents, such as 'Reforming Public Institutions and Strengthening Governance', first published in November 2000 and updated in April 2002
- PREM Notes (summarises good practice and key policy findings on Economic Policy, Gender, Governance and Public Sector Reform and Poverty)
- Project Information Reports and staff appraisals
- Brown-bag meetings and workshops
- Learning Programmes (such as Application to the World Bank's Governance Work, Core Course on Judicial Reform, Budget Management and Financial Accountability Course, Public Expenditure Analysis and Management, Decentralisation and Intergovernmental Fiscal Relations, and Issues of Tax Policy Administration)

Background material for these activities are mainly based on the tacit knowledge of staff experts, PREM Notes, WBI publications, academic work from outside scholars and the codified material in the World Development Reports (see www1.worldbank.org/publicsector/LearningProgram/page1.html. 29 June 2004). Complementing these activities, thematic groups have also been established as reference points for Bank staff when they need assistance with 'just in time services' for the design of lending programmes and the implementation of projects (Campos 2004: interview).

Knowledge-related activities and internal networking help not only in disseminating knowledge among staff but also in fostering consensual knowledge to harmonise practices and approaches on who Bank staff are, and what they do. As highlighted by some senior World Bank official from the PREM, these activities also help to overcome resistance and better coordinate efforts among those working in same fields (Messick 2004: interview; Hammergren 2004: interview; Campos 2004: interview).

This centrality of knowledge transfer has also been recognised by external actors as the Bank's authority in the realm of development has influenced knowledge-sharing programmes in other development agencies. These are the cases of what King and McGrath called 'knowledge-based institutions', namely, DfID, the Japan International Cooperation Agency (JICA), the German Agency for Technical Cooperation, the IDB, the European Commission and the Swiss Agency for Development. But it is also true in the case of new organisations created with support of the World Bank itself such as the GDN and the Global Knowledge Partnership (King and McGrath 2004; Stone 2004: 555). Although the experience of these organisations in knowledge creation and diffusion is recent, there is evidence of major changes based on the Bank's knowledge management, focusing primarily on ensuring better knowledge sharing within the organisations. The creation of thematic groups is a clear illustration of such development. Although externally-oriented outputs are less evident in comparison with the World Bank, these development agencies have been involved in technical assistance (King and McGrath 2004).

In topics related to governance goals, and in particular in reference to judicial reform and anti-corruption, the work of UNDP in knowledge management has been highly influenced by, and complementary to, the work of the World Bank. In effect, UNDP has been specifically involved in promoting good governance in developing countries via (i) policy advice and technical support; (ii) capacity development of institutions; (iii) provision of information and country assessment; (iv) promotion of dialogue, training and knowledge networking for sharing good practices (www.undp.org/bdp. 10 December 2004). In addition, like the World Bank, the UNDP has established the Oslo Governance Centre, a unit of the Democratic Governance Group in the UNDP Bureau for Development Policy that became fully operational in 2003. The UNDP Oslo Governance Centre is a thematic facility set up to enhance UNDP's ability to address specific governance themes such as access to justice, human rights, civil society and conflict prevention (see UNDP Oslo Centre Annual Report 2004). The objective of the Oslo Governance Centre is to provide high quality research and analyses that will inform and strengthen UNDP's global governance policies and national programmes (Diaz 2004: interview; also http://www.undp.org/oslocentre/10 December 2004). Unlike the WBI, the UNDP's Oslo Centre works as a think-tank providing support for UNDP country offices and is not as influential in terms of agenda-setting as the World Bank (Mason 2004: interview; Franche 2004: interview). Recent institutional exchanges in this area have been developed by UNDP staff being seconded to the WBI to help development and improve knowledge-sharing activities to be applied later in the field (Mason 2004: interview).

Although linking practitioners facilitates the codification and standardisation of practices, some Bank staff, however, pointed out that codifying tacit knowledge risks falling into a dynamic of 'idea replication' in the approach to programme design and implementation. In other words, codification of knowledge into standardised practises can broaden the gap between global knowledge and country-specific knowledge in favour of the former (Panzardi 2004: interview). An additional concern regarding the creation and articulation of knowledge within the World Bank is related to the effective use of knowledge and knowledge-related activities by the staff for their daily operational work. Some staff members of operational units stressed that knowledge production can be reduced to a mere rhetorical tool, rather than an instrument for project implementation because, despite being academically sound, knowledge produced within the Bank is nevertheless narrow in its orientation and approach (unnamed task manager A: interview). Furthermore, some in-house research activities have been produced by staff or teams who have no experience of running programmes at the country level. Thus, although knowledge can be useful to justify and legitimise involvement in political reforms, its impact on the work of country teams is still questionable' (*ibid.*).

Another major concern raised by some Bank staff relates to the fact that country managers are not assessed on the extent of and ways in which they produced or used internal research outcomes, findings, lessons from experience, or by the extent to which they maximise local knowledge within the project cycle. Rather there still remains the 'culture of approval' by which Bank staff are rewarded according to funding disbursement for project targets (Gray D. 2004: interview; Hammergren 2004: interview). This situation leaves the task managers with a discretionary capacity in the use of research and they may act according to their pragmatic choice. Some Bank officials even remarked that weak coordination and mismanagement in terms of 'knowledge sharing strategies' within the Bank still prevails, causing overlap of research projects within unconnected teams (Maalik 2004: interview; Messick 2004: interview; Laporte 2004: interview). In addition to the discretion in project design and implementation enjoyed by task managers, there are bureaucratic procedures that limit changes and the incorporation of strategies other than lending (Myers 2004: interview).

Notwithstanding disagreements on the effectiveness of knowledge management and the inconsistent willingness to adapt Bank knowledge to local realities, knowledge produced within the Bank has been very useful in backing up controversial programmes submitted by task managers for the approval of the Board of Directors. As put by a WBI representative, 'the financial power of the Bank is mutually reinforcing with the capacity of knowledge to create incentives not just among clients but also among Bank staff, specially among managers who are in charge of preparing sound lending programmes first for the approval of the Executive Directors and then for the approval of country officials (Gonzalez de Asís 2004: interview).

Before assessing the implications of knowledge management for the implementation of programmes in developing countries, the following section discusses how knowledge management manifests in the fashioning of lending programmes.

KNOWLEDGE MANAGEMENT IN PROJECT CYCLE

The dissemination and implementation of World Bank knowledge generate new dynamics among staff, as well as among staff and/or Bank teams and clients. Workshops, training courses, distance learning activities and policy-oriented publications integrate the results of research and theoretical positions into the operational agenda. From this perspective, the power of knowledge relies on being able to create incentives for actors to deliver policies according to the norms the Bank seeks to promote.

The academic infrastructure created since the adoption of the Strategic Compact for the development of research and knowledge-related activities ensures the powerful influence of World Bank knowledge in the fashioning and transfer of development norms (see George and Sabelli 1994; Mehta 2001; Wilks 2004). Yet, as this thesis argues, in order to understand how knowledge about development norms affects policy outcomes it is critical to understand the policy-making processes in which the interplay between World Bank knowledge and local knowledge conveyed by experts and practitioners evolves. This interplay shapes complex configurations of actors, discourses and resources that may enhance or inhibit the implementation of programmes on the ground.

In their operational work, Bank staff (country officers, task managers, technical specialists) prepare projects following a cycle that goes from identification to the negotiation, approval, implementation and monitoring of projects in developing countries. In the first stages of the project cycle, the identification of the problem and outline of programme prospects in a country is usually based on a process of assessment and diagnosis to determine contextual characteristics and priorities for reform. These activities involve pre-feasibility studies and empirical work that are often supplied by joint analysis by Bank technical staff from the country team and local researchers. To evaluate priorities and possible risks involved in future implementation there are usually forums and discussions organised with relevant local actors (government officials and representatives of civil society) to discuss sector patterns. These discussions, however, are usually at the discretion of the task managers in charge (Hägerström 2002: interview).

When a proposed project enters the pipeline, further studies are conducted to define the content and conditions of the future reform programme and lending agreement that will be restrictedly negotiated with the government. In this preparation stage, consultants are frequently hired by the Bank to assist with feasibility studies. With funds to disburse and ideas to implement, World Bank managers and consultants have sometimes facilitated and sometimes inhibited the access to or influence of certain national experts and knowledge-producers regarding the definition of policy priorities and project content. Furthermore, despite corporate changes operated within the World Bank with the adoption of the Strategic Compact, in particular the goal towards the development of a 'Knowledge Bank', and despite the high-profile declarations of the importance of local knowledge and experience, the involvement of local actors is still bound by certain 'rules of the game' that applied to citizen participation. For instance, it is stipulated that (i) consultative process are non-binding; that is, the Bank is not obligated to accept the recommendations proposed by civil society representatives or groups, nor to include their recommendations in the final draft of World Bank documents, such as the Country Assistance Strategy (CAS) or loan projects for the country. Likewise, in the case of the CAS, only if the government decides to make it public, the final document is shared with civil society. Finally, it is declared that the starting point for discussion discussions on Bank programming are based on background papers prepared by the Bank (Senderowitsch and Cesilini 2000: 42-47). In this context, for instance, although the

World Bank's Regional Office in Buenos Aires has been particularly relevant in the articulation of policy dialogue with local civil society associations concerning social programmes such as health and education, in other areas of reforms, such as structural adjustment and reform of state institutions, the role of the country office has been rather marginal. Agenda-setting and negotiation for politically sensitive areas of reform, such as those related to governance, were highly concentrated on task managers and government officials (see Chapter Five, Part Three).

Contesting ideas supported by local experts can be highly political and thus task managers might be more inclined to act without local experts in the design of programmes since they may endanger the transfer of resources, which can be criteria for staff performance evaluation. In the face of the lack of operational directions requiring Bank managers to work with local experts, World Bank projects could be biased in favour of the priorities and objectives of the operational unit or task managers involved in the design of the reform programme. This bias can be reflected in the so-called Staff Appraisal Report, which gathers the final assessment of the technical, environmental, financial and economic elements of the project before submitting it to the approval by the Executive Board of Directors. As observed by Woods:

> The staff tend to present detailed technical analyses of proposals and, interestingly, in so doing they preserve an independence from political control. Executive Directors, who wish to question particular aspects of a proposal, or to propose alternative approaches, soon find themselves in deep (technically detailed) water. Since Bank staff present only analyses which back their own proposals – and not, for example, analyses of a borrowing government's proposed alternatives – Executive Directors find it difficult to argue credibly for an alternative (Woods 2000: 140)

The final approval stage thus is usually straightforward; Executive Directors make decisions about lending operations, policies and strategic directions based on proposals prepared by the staff. Hence, the Executive Directors' direct political influence on loan content and approach is somewhat marginal since they generally approve what task managers assess and present as economically (and politically) sound in their reports.

This argument, in fact, challenges those explanations that highlight the power of the World Bank as a function of an unequal internal governance structure. True, the distribution of votes within the Board of international financial institutions reflects the economic and political strength of their members' capital contribution, the five largest shareholders being France, Germany, Japan, the United Kingdom and the United States. However, power relations are created and reinforced in the interaction of task managers and local actors, and in this area of relations power can be seen in the capacity of Bank managers to mobilise support for policy change via the implementation of projects.

From the perspective of the Bank's work in the field (from negotiation to implementation of programmes in developing countries) there are two factors that have affected the engagement of Bank managers with local experts on the ground. The first is related to the discretionary capacity of the Bank's task managers to use local expertise. The decision to engage in efforts to coordinate local knowledge and policy is reserved to Bank's managers. Despite the Bank's new participatory policies, adopted from 1995 (World Bank 1996a; Nelson 2000), there are no binding operational directives that enforce the use of knowledge-related activities and engagement with local expertise for the negotiation and implementation of Bank-supported programmes. Second, despite corporate efforts to establish a 'Knowledge Bank', sharing knowledge within and outside the Bank is not a standard for task managers' internal performance evaluation or promotion (Malik 2004: interview).

In this context, articulation and amalgamation of knowledge(s) is left to task managers' personal commitment, informal relationships with borrowers and professional practices (Gray D. 2004: interview). Some scholars have claimed that the 'Bank's approach to lending operations imposes a bias toward simplification and standardisation and against local knowledge and contextual specificity in project design, implementation, supervision and evaluation' (Pincus 2002: 78). World Bank knowledge is, therefore, treated as commodity to be transferred to developing countries via lending programmes without engaging or compromising with local knowledge. In this view, by leaving aside contesting knowledge from local actors, task managers may maximise the chances of project approval by governments (Hägerström 2002: interview; Hammergren 2004: interview). What it is still to be proved is the fact that the implementation of policies involves a broader constellation of actors and interactions that challenges the myth of rational, technical views of policy making (see Nielson 2001 for a discussion on policy process models). Policy outcomes are, in effect, the result of a complex policy process in which the interplay between World Bank knowledge and funds and local actors shape different policy dynamics.

To better understand the role of the Bank in the implementation of governance-related reforms via lending and non-lending strategies in developing countries, the next section analyses the role of knowledge management in relation to local actors and implementation of reforms on the ground.

KNOWLEDGE MANAGEMENT AND IMPLEMENTATION OF PROJECTS

The combination of knowledge and lending helps create incentives within and outside the Bank. As claimed by Laporte, 'because knowledge influences people's thinking it can be an instrument for a better use of money' (Laporte 2004: interview). The World Bank, in fact, 'does not just lend money and produce ideas: it packages the ideas and the money together', combining lending and knowledge along the life of a project cycle (Gilbert *et al.* 2000: 51). Knowledge management, from the perspective of policy influence, opens up new opportunities to advance politically sensitive reforms as it helps broadening the consensus on definitions of problems and related solutions, both within and outside the Bank (Myers 2004: interview; Malik 2004: interview; Manning 2004: interview; Squire 2004: interview; Mason 2004: interview).

The articulation of money and knowledge has been particularly relevant for the design and implementation of governance-related programmes such as judicial reform and anti-corruption. As governance-related reforms are embedded in historical, political and social contexts, the implementation of such programmes demands a broader consensus with local actors. As discussed in this thesis, for the implementation of judicial reform and anti-corruption programmes, loan conditionality has not been as effective a mechanism in the pursuit of adoption and compliance as it has been for macroeconomic reforms. To ensure the effective implementation of programmes in politically sensitive areas the mobilisation of support appears more effective as it enables Bank staff to neutralise contesting forces that may affect the implementation of policy change.

World Bank country teams are thoroughly involved in the design and conceptualisation of projects and programmes that are destined to be negotiated with the borrower country's government. Governments, in turn, can either proceed with the negotiation process, and accept the conditions attached to the projects presented by the task managers, or simply reject the proposal and leave it ineffective (Deininger *et al.* 1998). It must also be noted that governments may agree to incorporate certain reforms into their agendas as a way of legitimising their own political purposes. Yet although this can be considered a 'victory' for the task manager, the path and depth of the reform implementation is shaped by the local/contextual circumstances. In other words, World Bank policy ideas may be taken up by the government, but the implementation of policy reforms depends on a broader consensus with actors that are involved in the area or affected by potential reforms.

In recognition of this, some units within the Bank developed knowledge-related mechanisms to foster political will and incentives for reform, encouraging pro-reform networks with the local actors to oversee the reform process (Hammergren 2004: interview; Hammergren 1998). Knowledge-related activities can, in effect, enhance the leverage of financial activities by offering training and operational guidelines for key actors at the country level.

For instance, Ellerman stated that:

> If a knowledge based development organization wants to promote the one best way of reforming or changing certain institutions (say, the "best" model of fighting corruption or the best form of privatization), it should be willing to share the source of that knowledge, to promote experiments in the country to corroborate the hypothesis or to validate a local adaptation, and to encourage horizontal cross-learning from similar experiments documented in the organization's knowledge management system – all before the reform is accepted as a blueprint for the country as a whole. (Ellerman 2001: 28).

In this context, some Bank units engaged in knowledge management not only to reproduce the language of the Bank, but more critically to develop networking activities with local actors to compromise local expertise and the Bank's knowledge and experience. Some critical analysis in IPE suggested that World Bank knowledge and discursive strategies aim at co-opting critical voices in order to shore up a neo-liberal agenda (Cammack 2004). Similarly, it was argued that knowledge in the World Bank represents a sort of new imperialism (Mehta 2001). Yet, knowledge-based activities developed different aspects of consensus-building that not necessarily reflects a one-way transfer of ideas or simply persuasion of local actors as if these were passive recipients of funds and knowledge. For instance, as illustrated in the case of anti-corruption in Argentina, World Bank knowledge by itself did not make the difference in terms of effective implementation of reforms; rather the compromise and amalgamation of knowledge conveyed by the World Bank staff and that articulated by local experts working at the domestic level led the materialisation of ideas in institutional forms (see Chapter Six).

True, as claimed by a Bank official, knowledge/policy dynamics are considerably shaped by the coercive/financial power of the Bank; in his words 'the Bank's capacity as a financial institution assures that sometimes if the country wants the money they also have to take the knowledge. It is not that knowledge sharing surpassed conditionality, but new recommendations come out of research and empirical propositions' (unnamed World Bank task manager and member of PREM B: interview). Yet it would be an analytical error to assume that policy-making is a linear, rational process (Sutton 1999). Political decisions represent decentralised processes that involve different actors. Thus, dissent dynamics emerge along the process according to power considerations, resistance to change, organisational culture, networks of experts and differing conceptualisations of the development process. From this perspective, the problem of coordinating action among diverse players is relevant to understanding how the policy process works (Coyle 2001, unpublished work).

This is particularly important in a country like Argentina in which a strong civil society and advocacy organisations have been articulated since the return to democracy in the mid 1980s. Furthermore, the progressive reduction of state participation in the economy in the early 1990s enabled the emergence of a strong sector, capable both of articulating social demands and providing social services. These trends were echoed regionally in other countries in Latin America and led the World Bank to recognise that a wider role for local civil organisations 'should help programmes overcome the lack of legitimacy and representation of many governments in developing countries, while at the same time ease the pressures from international NGOs' (Casaburi *et al.* 2000: 497).

The decentralisation of Bank institutional structure with the adoption of Strategic Compact introduced by Wolfensohn gave new impetus to the involvement of civil society in Bank programming. Involvement of civil society in Bank programmes, and the incorporation of local expertise along the project cycle, however, evolved rather erratically because of government resistance, inadequate incentives and inconsistent Bank management support (World Bank 2001g: 3-4). As reported by an OED evaluation:

> Participation has been greatest in projects with community-level activities, as in the agriculture, health, water supply, environment, education, urban, and social sectors. There has been less participation in infrastructure sectors such as transportation, energy, and industry, and least of all in public sector management, financial, and multisector (mainly adjustment lending) projects. (World Bank 2001g: 2)

More recently, activities fostering 'country ownership' have brought to centre stage the importance of ensuring legitimacy in policy implementation incorporating the interests of affected actors but also the views of those that are opposed to World Bank projects; in other words, new attempts to amalgamate World Bank and local positions. To integrate the knowledge content of Bank products to country circumstances, some units of the World Bank, in particular the PREM within the Public Sector Group and the WBI, developed activities aimed at integrating local experts along the project cycle. Some of these activities are:

- Capacity building (such as seminars and in-country workshops, training and learning courses for policy makers, and distance learning courses);
- Country Assessments, Diagnosis and Reviews (such as Financial Accountability Assessment, Procurement Review and Public Expenditure Review, Institutional and Governance Review, evaluation tool-kits and governance indexes);
- Training programmes directed at engaging policy makers and local experts, as well as international workshops and global conferences (see, for instance, WBI 2002).

The WBI has been very actively involved in capacity building and taught programmes linking policy-makers and civil society organisations to improve levels of accountability and transparency and efficiency in public sector performance in developing countries (World Bank Institute 2000). A comparative advantage of the WBI has been the fact that it does not design programmes for future lending. In this respect, the WBI has a certain flexibility in terms of approach and client target (Gonzalez de Asis, 20 May 2003).

According to Daniel Kauffman, director of the WBI's Governance Programme, the operational agenda of the WBI is based on empirical work which brings in country actors, other than government officials and negotiators (Kaufmann 2002: interview). The WBI works with local actors ranging from civil society to country directors. Furthermore, what differentiates the work of the WBI from that of operational units within the Bank is that 'in the WBI there is no loan allocation or conditionality' (*ibid*). In the case of anti-corruption, for instance, the WBI launched a core course aimed at mid-level and senior policy-makers and public officials, and representatives from civil society and the private sector. As described in the WBI 2000 Annual Report, this course provided the tools needed for developing a participatory and integrated action programme to combat corruption at the country level. According to Gonzalez de Asis and Acuña Alfaro, WBI officials leading courses on judicial and anti-corruption reforms through a variety of learning activities, including lectures, working groups, panels and field visits, participants engaged on the WBI courses explored methods of designing, preparing, and implementing participatory strategies for institutional reforms. The outcomes of these programmes were later followed up by local and WBI's experts (Acuña Alfaro 2002: interview; Gonzalez de Asis 2004: interview). While some task managers from operational units have participated in the articulation of these capacity and consensus-building activities offered by the WBI, others proved to be reluctant to engage with local experts for project design and implementation; 'they know that at the moment of project negotiation it is usually the task manager and the Ministry of Economy who are sitting at the table' (Gonzalez de Asis 2004: interview).

The capacity of World Bank staff to exert dominance by engaging in consensus-building is part of a recognition that local actors are not mere passive recipients of World Bank knowledge. This processes entails, in effect, what has been identified in neo-Gramscian theories as '*transformism*'. *Transformism* involves a process of compromise amongst actors in order to neutralise possible contesting ventures (or counter-hegemonic forces) that can impede the progress of expected reforms. Policy outcomes in this context, then, are explained as a process of integrating contesting (counter-hegemonic) impulses into consensual schemes (Gramsci 1971: 58; Cox 1999).

In the case of the role of the World Bank, the process of integration of contesting impulses into a broader consensus leads to engage with local actors who share or can be persuaded to follow the Bank's normative framework (see, for instance, Cox 1996). As explored theoretically in Chapter Two, the relevance of networking activities with local actors rests on the ability of local actors to develop into pro-reform forces that can reproduce the World Bank's governance-related discourses diffusing policy paradigms at the local level. Given the limited mandate of the World Bank in relation to intervening in domestic policy affairs, this form of knowledge mobilisation is critical in advancing controversial policy reforms. Knowledge-related activities not only enhance the capacity of the World Bank to circulate, percolate and transfer policy ideas, but more importantly they reinforce the material bases for the implementation of those policy ideas in institutions that reproduce and perpetuate certain norms (Cox 1986: 218-221).

However, despite the analytical significance of the concept of transformism, it must be noted that in critical international studies this concept has been used to overemphasise the process of engagement with local experts as one of co-optation of ideas held by opposition forces. For instance, Gill suggests that by incorporating civil society into World Bank activities, Bank staff neutralise, depoliticise, opposition and thus limit their effectiveness and ideological appeal as an alternative option for policy-making (Gill 2000). For him, the discourse on participation claimed by the World Bank seeks to legitimise a hierarchical and unequal system of representation in the making of state policy that is linked to the expansion of an externally prescribed model of capitalist development (*ibid.*). Yet, these arguments overlook two important aspects of the policy process that are present in the relationship between World Bank staff and local actors. First, that local actors are not passive recipients of funds and World Bank knowledge. They can actually take, contest, modify or reject Bank's proposals. Second, that the interplay between nationally and internationally-based actors is reinforced by different dynamics in which both knowledge and policy-making are contending terrains. This suggests that despite the leverage of the Bank it cannot *itself* implement reform programmes on the ground; thus the outcome of policy change cannot be the expected consequence of uncontested knowledge or fund diffusion.

True, the absence of Bank operational directives explicitly guiding what instruments to use and what posture to take in the promotion of governance reforms leaves a discretionary capacity for tasks managers to involve local experts and their expertise in Bank-supported programmes. Yet, as analysed empirically in Chapters Five and Six, reforming programmes in the areas of judicial reform and anti-corruption have been fundamentally linked to the capacity of World Bank staff to act as a 'norm-broker' capitalising on local knowledge for the effective implementation of programmes.

CONCLUSION

This chapter explored knowledge management strategies for the creation and dissemination of knowledge and its implications for the promotion of governance-related norms of development. It was argued that the institutional changes undertaken during the tenure of James Wolfensohn as President of the World Bank were critical for the establishment of knowledge management as an important asset within the Bank's structure of resources. Since Wolfensohn's announcement of his intention to convert the World Bank into a 'Knowledge Bank' in 1996, the business of providing project financing has been complemented by more systematic efforts to convey know-how and experience and to take authoritative positions on issues of economic policy (Wolfensohn 1996; Woods 2000: 140; World Bank 2003).

Given the relevance of the World Bank as a financial institution, theoretical understandings articulated and disseminated within its units can determine the policy positions of actors within and outside the Bank. In other words, the capacity to 'frame' development problems and their solutions is an instrument that enhances the capacity of the Bank when delivering financial and non-financial services. Two manifestations of knowledge management have been identified. First, its internal efforts to capture and utilise knowledge by sharing strategies based on staff-to-staff transfer of knowledge and 'best practice'. Second, the dissemination of knowledge to borrowing countries, essentially by the DECRG, the PREM network and the WBI. In this context, this chapter also argued that the reputation and expertise of its staff together with an appearance of neutrality' and 'apolitical' technocratic approach confers legitimacy and influence within and outside the Bank upon its codified knowledge. The integration of *factual claims* and *normative principles* offers grounded values and ideology used to legitimise the policy formulation (Sending 2004: 58-59).

In practice, the DECRG focuses on the production of knowledge, while other operational units within the Bank concentrate on dissemination and networking activities with local actors in borrowing countries for joint design and implementation of projects. This is specifically the case with the PREM and the WBI in the promotion of the governance agenda. The distinction between units that are concentrated on the articulation and production of knowledge (such as the DECRG and to some extent the Legal Unit) and those that are concerned with knowledge management for the implementation of policies strategies (such as the PREM and the WBI) helps to explain two main issues that are central to the knowledge/policy nexus that are central to this thesis.

First, that far from established a unitary 'Knowledge Bank', the Bank constitutes different units that combine research and policy in different ways, and approach the policy process regarding project design and implementation in different ways. For instance, while the creation and diffusion of knowledge, such as that of the DECRG and the Legal Department, have served the purposes of 'enlightenment' by transfer, other units within the Bank, such as the PREM and the WBI, have emphasised knowledge utilisation as part of a process of compromise and amalgamation with local experts to advance policy change. From this perspective, although knowledge is a powerful element that helps to justify and legitimise involvement in political reforms, the creation of a consensus around policy ideas between Bank staff and local actors is critical to effect incentives and the perceptions of local actors and for creating pro-reform networks to advance policy change on the ground (see Chapters Five and Six).

Second, and related, it is analytically misleading to assume that the influence of knowledge transfer into policy formulation and implementation is an automatic, straightforward process. As empirically analysed in the cases of judicial reform and anti-corruption in Argentina, failure to incorporate local knowledge has been shown to hamper reform efforts advanced by the Bank.

From the perspective of the Bank's work there are two factors that have affected the engagement of Bank managers with local experts on the ground. One factor relates to the discretionary capacity of the Bank's task managers in the use of local expertise. Despite new guidelines for participation of civil society in Bank policies adopted since 1995 (World Bank 1996a; Nelson 2000), there are no binding operational directives that enforce the use of knowledge-related activities and the engagement with local expertise for the negotiation and implementation of Bank-supported programmes. The other factor relates to the fact that despite corporate efforts to establish a 'Knowledge Bank', sharing knowledge within and outside is not a standard for task managers' internal performance evaluation or promotion. As a result, knowledge management across the World Bank has been inconsistently adopted since the creation, dissemination, and implementation of knowledge ultimately relies 'on the project and on the people' (Messick 2004: interview). This simple affirmation suggests that rather than functioning as a 'Knowledge Bank' performing in unison, multiple sources of knowledge within the different units of the Bank produce knowledge to be conveyed to developing countries either by means of transferring axiomatic arguments associated with codified knowledge (such as 'a well-functioning judiciary is essential to economic growth' or 'judicial reform must be understood as efficiency in court and case management') or by acting as 'brokers of policies and norms', engaging with local experts, and their expertise, for the construction of a consensus for policy change.

In further development of these arguments, the next chapter explores the context to explain the distinctive patterns exhibited in the cases of judicial reform and anti-corruption in terms of the capacity of the World Bank to act as a 'norm-broker' engaging with local actors in pro-reform networks to reproduce and implement consensual ideas on the ground. Chapter Four, therefore, offers an analysis of the contextual factors that shaped the way governance-related reforms, in this case, judicial reform and anti-corruption, evolved during Menem's and De la Rúa's administrations (1989-1999, and 1999-2001 respectively). It also offers an overview of the World Bank's involvement in governance reforms in Argentina and introduces the programmes related to judicial reform and anti-corruption that are focus of this study.

CHAPTER FOUR

THE WORLD BANK IN ARGENTINA'S GOVERNANCE REFORMS: CONTEXT, ACTORS AND AGENDAS

INTRODUCTION

Having analysed the general setting relating to institutional and operational changes in the World Bank since the early 1990s, and examined governance and knowledge management as part and parcel of these changes, Chapter Four now focuses on the institutional and political context in which Bank-supported governance reforms were implemented in Argentina. Understanding the context, actors, and agendas in relation to governance reforms in Argentina helps to explain the patterns of policy implementation of judicial reform and anti-corruption programmes, as well as the way in which different World Bank units attempted to transfer funds and knowledge, or to act as a broker engaging with local experts and their expertise for the promotion of politically sensitive reforms on the ground.

In Argentina, governance-related programmes emerged in the early 1990s when the World Bank reconsidered its portfolio in light of the country's recovery from the so-called 'lost decade' of recession and hyperinflation during the 1980s. The involvement of the Bank in governance reforms followed on from a first generation of reforms that focused on privatisation and structural adjustment to improve the investment environment. This strategy, mostly implemented between 1985 and 1995, was followed by new aspects of governance that targeted reforms in politically sensitive institutions such as the judiciary, and policies intended to reduce corruption (see Chapter One).

This chapter is central to the overall thesis as it pulls together the contextual ground and the empirical patterns that explain its arguments, namely, that whatever the leverage of the World Bank, it cannot implement programmes by itself. In other words, reforms are context-dependent and thus actors' incentives can favour or inhibit policy change. Hence, the capacity of the Bank to advance governance norms is not solely explained by the leverage of conditional loans, but rather by its capacity to 'broker' deals with local actors to gain their consent in advancing politically sensitive reforms on the ground. In other words, this thesis argues that promoting national compliance with the World Bank's procedures and norms for the implementation of governance reforms is not just a matter of getting local incentives 'right' by appealing to the coercive, disciplinary power of the lenders' leverage (Checkel 1998), but rather of working with local actors and integrating contesting impulses into a broader consensus to implement politically sensitive reform on the ground. For example, by analysing judicial and anti-corruption reforms in Argentina it is shown that the power of the World Bank to implement policy reforms is intimately dependent on the ways that and the extent to which the Bank acted as a mere conveyor in the transfer of funds and policy ideas, or as a broker articulating funds and World Bank and local 'knowledge(s)' to create pro-reform networks with local actors for the design and implementation of politically sensitive reforms (see Chapters Five and Six). Accordingly, this chapter analyses the contextual factors that shaped the way these dynamics unfolded in the cases of judicial reform and anti-corruption.

The chapter is divided into four parts. The first part analyses the political, economic and institutional transformation during the 10 years of Menem's administration (1989-1999) and the subsequent shorter term of De la Rúa until his resignation in 2001. This analysis focuses particularly on the process of the politicisation of the judiciary and the weakening of the rule of law that affected the prospects of judicial and anti-corruption reforms.

The second part describes the involvement of the Bank in governance programmes and records the programmes supported by the Bank in the country since 1991. This section argues that the progress of governance-related reforms, in particular those related to judicial reform and anti-corruption, proved to be far more difficult to implement than traditional reform in infrastructure or economic policies. Disagreement among World

Bank managers, government and local experts put the World Bank's 'depoliticised' technical approach to reform under severe strain.

The third part surveys the actors, incentives and programmes that shaped the way judicial reform and anti-corruption evolved in Argentina. This section describes the local actors that formed the basis of two epistemic communities in the areas of judicial reform and anti-corruption in Argentina. As suggested in Chapter Two, the set of knowledge produced by local experts related to judicial reform and anti-corruption in Argentina draws from not only their scientific research but more strongly from their advocacy action. For this reason, these local experts were identified as forming 'epistemic-like communities' (see Chapter Two, Part Three). This section also explores approaches, incentives of local actors in their interplay with World Bank knowledge and funds for the advancement of governance reforms.

The fourth part of this chapter introduces the main World Bank initiatives undertaken in the area of judicial reform and anti-corruption, namely, the 'Model Court Project', the 'Anti-corruption Office Programme' and the 'Crystal Government Initiative'. The chapter concludes with a brief discussion of the patterns to be analysed in depth in the next two chapters concerning the role of the World Bank in advancing judicial reform and anti-corruption programmes in Argentina since the 1990s.

POLITICAL-ECONOMIC CONTEXT SHAPING GOVERNANCE REFORMS IN ARGENTINA

The decade of the 1990s in Argentina was marked by a shift in political and economic institutions. A large scale restructuring of politically sensitive sectors of the economy led to a transit from a structure of state-owned companies towards ownership by foreign groups and investment funds (Palermo and Novaro 1996; Ramamurti 1999). From 1989, under the new administration of Carlos Menem (1989-1994 and 1994-1999) the transformation of the state apparatus involved a disciplined compliance with policies and conditionalities set by the IMF, the World Bank and foreign creditors as the country was urged to respond to the economic crisis it had experienced since the early 1980s.

In the early 1980s, Argentina faced serious macroeconomic instability and an acute fiscal deficit, aggravated by a seemingly unsustainable debt problem that reached almost 100 percent of the GDP in 1989 (World Bank 2000c: ii). After eight years of military rule between 1976 and 1983, the challenge for the new democracy led by President Raul Alfonsín (1983-1989) from the Union Cívica Radical Party (UCR), was to strengthen the rule of law and the restoration of the economy into the international market. At the same time, the administration had to face negotiations with external creditors for an effective restructuring of the foreign debt contracted mainly during the period of military rule (1976-1986). The government of Alfonsín had to be responsive politically and economically. From a political point of view, the government focused on legal reform as a safeguard for human rights. On the economic front, Alfonsín initiated limited structural reforms in an attempt to end hyperinflation. The process was both domestically-generated and externally assisted. Bilateral and multilateral agencies, in effect, participated in the rebuilding and modernising of the Argentine politico-institutional and economic foundations (Acuña 1995).

Despite some radical reforms aimed at democratic consolidation, Alfonsín's administration could not gain, however, the necessary support of key economic players to carry out the process of transformation, in particular from labour unions closely identified with the opposition party's political platform, the *Partido Justicialista* (known as the Peronist Party), or from the private sector and business groups that questioned the heterodox foundations of the economic plan (Acuña and Smith 1994). Progressively, Alfonsín's presidency became politically debilitated as poor outcomes and increasing opposition undermined political-economic stability. In turn, the fragility of the domestic scenario was aggravated by the loss of external support (Damill and Frenkel 1993: 62). In effect, during that period, World Bank assistance to Argentina was irregular and subject to the government's attempts at reform. The course of the Argentine political economy discouraged international financial institutions from assisting Alfonsín's last stabilisation effort (Corrales 1997: 60). With the emergence of a new hyperinflation crisis and erratic attempts to rally the socio-political support to combat it, the economic and political bases of Alfonsín's government succumbed, and the president was forced to resign five month before the end of his government's mandate (Bambaci *et al.* 2002: 80).

A partisan arrangement with the Peronist candidate consolidated the power of Carlos Menem, who took office as the new president of Argentina on 8 July 1989. The political and economic context in which Menem took office led to further consolidation of a strong presidential-based style of governance. While the Peronist party capitalised on its opponent's failure, once in office it proved to be a dutifully orthodox reformer that undertook sweeping macro-economic policies and structural adjustment in tune with the exigencies of international financial institutions (Tussie and Tuozzo 2002). The World Bank, which had adopted a cautious approach toward assistance in light of Alfonsín's economic and political plans, adopted a new lending strategy supporting Argentina's market-oriented reforms (World Bank 1997c).

Carlos Menem governed for two consecutive terms, between 1989-1995 and 1995-1999, since he managed to drive through a Constitutional amendment in 1994 that allowed running for re-election for the first time. In the midst of the political and economic turmoil surrounding the resignation of President Alfonsín in 1989, the abrupt change of government put the incoming Peronist government in a strong position to conduct far-reaching economic and political reforms and, in the process, regain the trust of international markets. This strategy was possible, as explained by Tussie and Tuozzo, because the Peronist Party was able to win broad political support not only from the working class, its historical class support, but also from reform-minded business actors and export-oriented industry (Tussie and Tuozzo 2002: 28; Palermo and Novaro 1996: 149, 169). Moreover, the politically dramatic exit of Alfonsín's administration also left an ideological vacuum that was capitalised on by the new administration of Carlos Menem. As argued by Palermo and Novaro, 'the sense of urgency and the fear of a new political and social chaos (that still echoed the years of military regime) prevailed over the public opinion creating a propitious context for fast and far-reaching decisions' (Palermo and Novaro 1996: 124). Similarly, Tedesco claims that 'Menem was able to structure a discourse around the idea of an *emergency* that needed drastic measures' in order to secure political and economic stability (Tedesco 2002: 474, italics in original; O'Donnell 1994; Acuña 1995; Murillo 1997).

The crafting of domestic a base of receptivity and legitimacy was a necessary condition for reform. At the same time, achieving a 'seal of good conduct' from international financial institutions was needed in order to attract international private capital. In recognition of this, the government of Carlos Menem embarked on a broad agreement with the World Bank and the IMF to comply with the principles of the Washington Consensus (Tussie and Tuozzo 2002: 28).

Menem initiated a market-oriented reform programme that affected state institutions and overall social and economic organisation (Oszlak 2000; Bambaci et al. 2002). Three pieces of legislation were immediately sanctioned. In August 1989 the Congress passed the *State Reform Law* (Law 23.696). This law authorised the Executive to undertake 'partial or total privatisation or liquidation of companies, corporations, establishments or productive properties totally or partially owned by the State, including as a prior requirement that they should have been declared subject to privatisation by the Executive Branch, approval for which should in all cases be provided by a Congressional Law' (Ministerio de Economía 1993: 4). One month later, in September 1989, the *Economic Emergency Law* was passed (Law 23.697). This legislation declared public administration to be in a state of emergency and hence defined a plan and method of lowering public spending for achieving equilibrium of the public finances.

The State Reform and Economic Emergency laws granted power for the Executive to modify by presidential decree critical aspects of economic and socio-political relations that included: (i) suspension of state subsidies for industrial promotion; (ii) giving foreign investment the same treatment given to domestic investors; (iii) modifying the Charter of the Central Bank; (iv) modifying the taxation system; (v) downsizing the public administration by suspending contracts and recruitment of new employees within the central administration, public enterprises and other state units (Bambaci *et al.* 2002).

However, it was the adoption of the *Convertibility Law* in 1991, the third legislative pillar, that finally consolidated economic stabilisation and the return of capital flows to the country's economy (Law 23.928). After the launch of the Convertibility Plan in 1991, the Argentine economy underwent a massive transformation. The 'Convertibility Plan', introduced in 1991 by Menem's Minister of Economy, Domingo Cavallo, represented a turning point in economic and political reforms. It included a series of groundbreaking measures that were deliberately coincidental with policy developments sponsored by the international financial institutions under the framework of the Washington Consensus (Corrales 1997). The main feature of this programme, supported by the World Bank Group, IDB and IMF, was the establishment of a currency board arrangement. In addition, the new economic plan set the chronogram for fiscal and tax reforms, privatisation of state institutions, liberalisation of trade and reform of the public sector (World Bank 2000c). The Convertibility Plan successfully arrested hyperinflation by sustaining price stability, and set the conditions for a major surge of foreign capital. Macroeconomic stability together with the return of credit led to an immediate increase in consumption indexes and to a period of economic growth.

While the new normative structure was decisive for setting the framework upon which most reforms were undertaken, World Bank support was also critical to pursuing the economic transformation during Menem's administration. In effect, the Bank, which had a controversial relationship with the administration of Alfonsín, and did not approve any new loans between October 1988 and December 1990 (World Bank 1996b: 8), resumed its lending strategies to the country in 1991. A country team from the Bank's public sector management in the Latin American Region undertook informal ESW and background analysis to contribute to the reform process initiated by Menem's administration. Moreover, in September 1989 the Bank opened an office in Buenos Aires to provide economic advice to the Government on loan and technical assistance for privatisation and other macroeconomic and public sector reforms (World Bank 1996b: 9-10). This office was turned into the sub-regional representation for Chile, Argentina y Uruguay as part of the decentralisation process that followed the adoption of the Strategic Compact in 1997 (Budkin, personal communication, 12 April 2005; see Chapter Three).

Thus, while opposition and economic turmoil paralysed the administration of Alfonsín, Menem's government managed to adjust to domestic and international exigencies consistent with market-oriented reforms and to create good liaison with international financial institutions. In contrast to the previous administration, the new Peronist government managed to turn the critical economic situation into economic stabilisation and international re-entry, and with it to build up political capital from different sectors of the social spectrum thus securing ample bases of power accumulation which neutralised potential opposition to government political and economic plans (Palermo and Novaro 1996). Several factors contributed to this environment: (i) the socio-economic conditions in which Menem took power; (ii) a growing understanding of an economy that had plummeted into uncontrolled hyperinflation; (iii) an immediate recovery of the economy and international trust (Acuña 1995: 51-56). Furthermore, socio-political support was also handled by means of patronage and the use of public funds as the economy grew (Weyland 1998). Patronage and clientelistic policies, together with a high concentration of power in the Executive, resulted in a style of political administration identified by some scholars as 'neo-populist' (Gamarra 1994: 7; Corrales 1997). That is, by concentrating power in the political leader, the neo-populist style of Menem's administration advanced controversial neo-liberal reforms and top-down economic market orientation by controlling opposition with compensatory programmes and clientelistic strategies (Weyland 1998: 109; Gibson 1997; Schamis 1999: 239). Other scholars have also emphasised the effects of macro-economic reforms during the Menem administration and identified clientelism, corruption and the lack of transparency in the management of public finances as patterns that were inherently related to the reform process (Etchemendy 2001).

The economic success experienced during the first years of the Menem administration assured the political capital that supported a major Constitutional reform in 1994 to allow, for the first time, a president to run for a second term. As a result, Menem's overwhelming political strength culminated in the achievement of an extra-parliamentary agreement, known as the *Pacto de Olivos*, signed with the former president Raúl Alfonsín in November 1993 (Acuña 1995: 125). The *Pacto de Olivos* assured the non-objection of the parliamentary representatives of the opposition party to Menem's plans to run for a second term by means of changing the Constitution. In exchange, Menem agreed to create stronger mechanisms of control over institutions to counterbalance the power of the Executive (Acuña 1995; Palermo and Novaro 1996: 399-414; Finkel 2004: 65). In effect, the *Pacto de Olivos* stipulated that the new constitution would 'ensure judicial independence by substantially modifying the method of designating judges so as to guarantee that *moral fitness* be the primary reason for their selection' (Lacana n/d quoted in Finkel 2004: 73, emphasis in original).

Although in theory the 1994 Constitutional amendment reduced presidential dominance over the judiciary, the government kept important prerogatives of governance. For instance, it raised the Senate approval requirement for the President's Supreme Court nominees from a majority to two-thirds. More importantly, it called for the creation of a Judicial Council (*Consejo de la Magistratura*) and an Impeachment Jury (*Jurado de Enjuiciamiento*) to reduce the president's discretion over judicial appointments and dismissals (Bill Chavez 2004: 476). As part of the new mandates of the 1994 Constitutional Reform, the Judicial Council was established as an independent agency in charge of the administration of the national Judicial Branch and guarantor of the judges' independence. Moreover, the selection of judges was expected to be delegated to the new Judicial Council. However, delays in implementation and conflicting political agendas meant that the Judicial Council was only established three years after the approval of the parliamentary law N° 24.937 and the corrective Law N° 24.939. However, it was not until 1998 that the Judicial Council begun its functions as the World Bank recommended the new government of De la Rúa, who succeeded Menem's presidency, to redress the unfavourable climate of institutional insecurity (World Bank 2001e; see Chapter Five). Nevertheless, one of the most controversial issues, the selection of judges, was not resolved as it was established that the Judicial Council would deal only with lower court judges; that is, the First Instance and Appellate Court judges, leaving the appointment of Supreme Court judges within the power of the Executive. Thus, the president remained ultimately responsible for nomination of Supreme Court candidates. The Argentine legal scholar, Roberto Saba, highlighted the fact that although the confirmation by two-thirds of the Senate was required, the fact that the Peronist party enjoyed a majority in that parliamentary house, and because there were no mechanisms for further discussion about the nominees, such as public hearings or bar association reports, the creation of a new 'oversight infrastructure' after the Constitutional reform was a futile exercise that did not solve the problem of judicial independence (Saba 2003: interview).

Politicisation of the Judiciary and Weakening of the Rule of Law

Argentina has a federal system of governance based on a constitutionally stated division of power, nevertheless strong presidentialism. As argued by Iaryczower *et al.*, historically, political alignments and processes determined an in-built tension in the Argentine system of governance: while constitutionally the independence of the judiciary is guaranteed, political manipulation of the Courts is a pattern reproduced by different socio-political arrangements in both military and democratic governments (Iaryczower *et al.* 2002). In fact, over the last half century, state institutions have been gripped by partisan politics, first between antagonistic political forces represented by Peronists and anti-Peronists, and since the mid-1990s, by other forces that entered the electoral scene (Bambaci *et al.* 2002). The lack of checks and balances has been the cause as much as the consequence of heavily top-down managed policy changes (O'Donnell 1999; Bohmer

2004, personal communication). Pastor and Wise have argued that at a high distributional cost and low public accountability, the highly presidentialist and autocratic style of Menem's administration strategically bypassed legal rules in order to disable forces opposed to the government's reform agenda (Pastor and Wise 1998: 19). One manifestation of the top-down style of Menem's administrations was the use of executive decrees, and the government's power to gain the support of Congress. In fact, Menem's Peronist party held a majority in both parliamentary houses between 1989 and 1997, making parliamentary oversight an ineffectual institutional mechanism. Together, these factors assured the rapid progress of reforms. For instance, while President Alfonsín issued 10 decrees, during his administration Menem enforced a total of 308, covering sensitive issues such as economic deregulation, privatisation and tax collection (Ferreira Rubio and Goretti 1996).

Another particularly important institutional instrument for pursuing the government agenda has been the role of the Supreme Court. Article 117 of the National Constitution establishes that this federal organ has the power to review the constitutional legality of norms enacted by Congressional norm or Executive Decree. Menem's agenda needed the Supreme Court to support the administration's most contentious political and economic reforms, especially those linked to the privatisation of services (Verbitsky 1993; Carrió 1997; Helmke 2004: 1-14). As argued by Larkins, the experience of the previous government in relation to Court/Executive relations, particularly the fact that the judiciary was often able to frustrate government policies, might have led Menem to consider a strategy that 'corrals the independence of the courts and make them more receptive to his concerns' (Larkins 1998: 427).

The increasing control of the Executive over the judiciary was strategically sought. Through the sanctioning of a new law, *'Ley de Ampliación'*, Menem increased the number of Supreme Court justices from five to nine. As mentioned earlier, the National Constitution concedes the prerogative to designate Supreme Court candidates to the Executive, with the approval of three quarters of the Senate, of which Peronist representatives held the majority of seats. Thus, only months after assuming power, Menem managed to reshape the composition of the Court by adding four new judges and getting two of the sitting magistrates to resign. The increase in number of judges played an important role in the implementation of politically sensitive reforms.

Judicial power, in particular the Supreme Court, has been a pivotal component for the government as it is the organ that declares the constitutional legality of the policies adopted by the government. During the two administrations of Carlos Menem (1989-1995 and 1995-1999) the Argentine institutional dynamic concerning the relations between the Executive and Judicial Power was manifested by the lack of independence of the latter and the need to assure legitimising procedures for key political reforms of the former. As a result, the political/institutional dimension of Argentine market-oriented reforms was greatly affected by a consistent pattern of centralised leadership, and by the frequent political interference of the Executive in judicial governance. The result was a government that managed to push forward its agenda without the Supreme Court overturning its decisions and, at the same time, a Supreme Court that developed strong corporate interests (Verbitsky 1993; Carrió and Garay 1996; Larkins 1998; Helmke 2002). Helmke assesses this dynamic by analysing the voting patters of the judges of the Supreme Court during three different political periods in Argentina: (i) during the military rule; (ii) during the first democratically elected government of Raul Alfonsín after the military dictatorship; (iii) during Menem's presidential terms (Helmke 2002). She asserts that:

> [T]he patterns in the individual-level data show that as Menem became increasingly popular and as it became more likely that he would stand for a second term, the percentage of antigovernment decisions declined. Under Menem, the percentage of antigovernment rulings began at roughly the same level as in the early years of the two previous governments, increased to 40% in 1993, but then fell to roughly 25% during the last two years of Menem's first administration. This was a period of success for Menem's economic policies and an increasing likelihood of Menem's bid for re-election. (*ibid.*: 296)

The system of appointment of judges led to a systematic abuse of legal power by a presidency that governed by decree with the aid of a highly politicised Court (Verbitsky 1993). The 'addicted Court' ensured that the Supreme Court would not block decisions considered crucial to further the government agenda, including the achievement of the Constitutional amendment in 1994 that allowed Menem to run for a second presidential term in 1995 (Verbitsky 1993: 140). In sum, the Supreme Court became a political tool for government purposes as its power to declare legislative acts unconstitutional gradually declined with its political independence.

Despite the rule of law weakening, the progress of market reforms as well as the institutional-political consequences of Menem's political style deferred the debate on the way in which economic and state reforms were articulated. In effect, Argentina experienced strong average economic growth in the 1990s as the size of the economy expanded from US$141 billion in 1990 to US$282 billion in 1999 (World Bank 2000c: i). As argued by Manzetti, this outcome led Menem to enjoy the conformity (or misplaced optimism) of the international financial institutions despite the high levels of corruption and the deterioration of democratic governance. According to Manzetti:

> during most of the 1990s, Menem's reform earned him high praise at home and abroad to the point that he was even invited to address the annual IMF/World Bank meeting in Washington as late as 1998, an honor granted to few heads of state from developing countries. (Manzetti 2002: 6)

In fact, one of the most striking paradoxes during Menem's administration is that while he presided over a period of unprecedented economic prosperity, and Argentina was flagship country for international financial institutions, the 'golden years' of downsizing the state were accompanied by rampant corruption. The far-reaching process of privatisation of state assets brought about corruption practices involving many top government officials and major international corporations like IBM, Citibank, and the Spanish telecommunications company, Telefónica (Manzetti 2002: 8; see Chapter Six). Regardless of this evidence, President Menem was invited to be the keynote speaker at the Fall 1998 Joint Assembly of the IMF and World Bank in Washington. This was the first time that a Latin American president had addressed the biennial meeting in Washington (La Nación 1998, Economía: 3). The blind eye of international financial institutions to the negative consequences on governance as a result of the way market-oriented reforms were undertaken, led some local NGOs, such as Poder Ciudadano, Centro de Estudios Legales y Sociales (CELS) and Asociación Conciencia, from the early 1990s to undertake campaigns denouncing the increasing levels of corruption that placed the country among the most corrupt countries worldwide (Manzetti 2000). For instance, the 1998 Transparency International's Corruption Perception Index ranked Argentina in 61st position out of a total of 85 countries, indicating high levels of corruption in the country (see http://www.transparency.org/cpi/1998/cpi1998.html. 2 August 2005; La Nación 1998b, Política: 16). In this context, it was not only the government but also the international financial institutions, involved in the process of institutional and economic transformation in Argentina from the late 1980s, which became the target of increasing public scrutiny.

Although the involvement of the World Bank became more critical as it targeted new governance reform programmes in accordance with the principles of the CDF, its engagement in politically sensitive areas of reform was bounded by a fundamental contradiction: 'the simultaneous need for the policies adopted to fit within the strategic framework espoused by the Bank, and be freely chosen and owned by client governments' (Cammack 2004: 207). In this context, the different units involved in the promotion of governance norms, for instance the Legal Department in the case of judicial reform and the PREM and WBI in the case of anti-corruption policies, exhibited divergent patterns of engagement between task managers, the government and actors from civil society in Argentina. As analysed in Chapters Five and Six, actors, incentives and financial and non-financial resources shaped the Bank's role advancing governance-related norms. The next section explores the involvement of the Bank in governance projects in Argentina.

THE WORLD BANK'S GOVERNANCE AGENDA IN ARGENTINA

The World Bank has been an active supporter of the government of Argentina's reform programmes since Menem took office in 1989. Since 1989 the government pursued 'the most comprehensive public sector reform programme ever undertaken: complete restructuring of the state' (World Bank 1994: 7). The Bank supported this effort through a number of lending operations that conformed with the prescriptions of the Washington Consensus. For instance, the Bank funded a *Public Sector Reform Adjustment Loan* and a *Public Sector Reform Technical Assistance Loan* that supported administrative reforms aimed at reducing public sector employment according to what the Bank considered efficient levels in public administration. Reform in public administration also led to reorganisation and change in legislation relating to public financial management and tax reform policies. The Bank also supported the privatisation process through the *Public Enterprise Reform Adjustment Loan* to restructure public enterprises in the telecommunications, railways and hydrocarbons sectors. In addition, the Bank supported tax administration reform, strengthening the simplification of the legal framework (World Bank 1994: 7; Corbalan 2002: 85-89). In sum, the World Bank has been a key source of funds and policy advice for the adoption of institutional reforms; privatisation and private sector development, and, in turn, for new governance-related reforms such as anti-corruption and judicial reform (Messick 1999; World Bank 2002).

Although more oriented towards the modernisation of public sector management and administrative procedures, the involvement of the Bank in the area of governance expanded, based on policies that promoted changes in the role of the state (Hägerström 2002: interview; Myers 2004: interview). Some of the most relevant programmes supporting governance goals between 1990 and 2005 are listed in Table 1.

Table 1. World Bank's Governance-related Programmes in Argentina, 1990-2005

Name of Project	Identification Number	Loan in millions of US$	Status	Approval Date
Public Sector Reform Technical Assistance	006029	23	Closed	25 June 1991
Public Sector Reform Loan	006026	325	Closed	30 July 1991
Tax Administration Technical Assistance	006034	20	Closed	14 April 1992
Public Enterprise Reform Adjustment Loan	006012	300	Closed	5 January 1993
Financial Sector Adjustment Loan	006047	400	Closed	16 February 1993
Capital Market Development Technical Assistance	006062	8.5	Closed	3 January 1994
Provincial Reform Loan	006035	300	Closed	24 January 1995
Provincial Bank Privatisation Loan	040826	500	Closed	4 May 1995
Provincial Development	006018	225	Active	4 May 1995
Bank Reform Loan	040904	500	Closed	25 July 1995
Provincial Pension Reform Adjustment Loan	044445	300	Closed	11 December 1996
Provincial Reform- Tucuman	006006	100	Closed	26 August 1997
Provincial Reform - Salta	051693	75	Closed	26 August 1997
Provincial Reform - San Juan	051694	50	Closed	26 August 1997
Provincial Reform - Rio Negro	051695	75	Closed	26 August 1997
National Pension Administration Technical Assistance	046821	20	Closed	21 January 1997
Year 2000 Technical Assistance/ State Modernisation Project	057449	30.3	Active	17 December 1998
Special Structural Adjustment Loan	062991	2.5	Closed	10 November 1998
Model Court Development/PROJUM	050713	5	Active	8 April 1998

Table 1. World Bank's Governance-related Programmes in Argentina, 1990-2005 (Continued)

Name of Project	Identification Number	Loan in millions of US$	Status	Approval Date
Judicial System Reform Programme- PROJUS	055479	10	Suspended	No date
Social and Fiscal National Identification System	055461	10	Closed	20 April 1999
Provincial Reform Loan- Cordoba	068344	303	Active	22 November 2000
Indigenous Community Development	057473	5	Active	18 September 2000
Provincial Reform Adjustment Loan- Catamarca	044447	70.7	Active	14 September 2000
Structural Adjustment Loan	073591	400	Active	28 August 2001
Provincial Reform Adjustment Loan- Santa Fe	069913	330	Active	19 July 2001
Structural Adjustment- Federal Provincial Fiscal Relations	073591	400	Closed	28 August 2001
Argentina Economic and Social Transition Structural Adjustment Loan	083074	500	Closed	22 May 2003
AR Economic Recovery Support Structural Adjustment Loan	083982	500	Active	29 June 2004
Institutional Strengthening- ANSES II (Pensions System)	092836	250	Active	25 July 2005

Sources: World Bank Public Sector Group Project Database. Available at www.worldbank.org/projects. Retrieved 2 February 2005

The World Bank's portfolio for Argentina has significantly increased since the country's recovery from the debt crisis suffered during the 1980s. Following the regional trend, after implementing major programmes of liberalisation, deregulation and privatisation, Argentina experienced a new wave of institutional reform in which the governance reforms related to state institutions and the rule of law became a priority within the Bank's aid agenda. It is important to highlight that the increasing importance of governance within the Bank's portfolio in the country is not necessarily reflected in its lending volume. As showed in Table 1, PROJUM, for instance, is a stand-alone programme that although represents only US$ 5 million, its importance for the Bank 'relates to the possibility of replication countrywide, enhancing the capacity of the Bank to *construct a model* for further replication in other countries and other regions' (Simari 2003: interview, my emphasis). In other words, the relevance of the Bank's judicial reform programme in Argentina should be assessed not only in terms of lending volume in term of its portfolio, but also in terms of its capacity to 'frame' or lend legitimacy to new norms of development and reform goals.

Some scholars argued that 'the Bank has pushed for the undertaking of governance reforms to provide enabling institutional arrangements for macroeconomic, trade and investment policies', and that 'these reforms were carried out in accordance with a model of state that endorses the Bank's managerial view of governance' (Tuozzo 2004: 106). The managerial stance supported by the Bank chose to ignore the way those reforms were carried out and the impact they had on the democratic institutions. Like Tuozzo, Hanlon and Pettifor argue that governance-related reforms supported by the Bank deepened the already highly centralised patterns of presidentialism (Hanlon and Pettifor 2000). One manifestation of this was the use of decrees. As Tuozzo pointed out:

> Ironically the use of decrees was also employed in some governance-related loans and policies, like the creation of the National Public Ethics Office in 1997 (Decree 152/1997) and of the State Modernisation Program in 2001 (Decree 103/2001) highlighting the fact that centralised practices in Argentina are hard to surmount. (Tuozzo 2004: 178)

Many of these programmes were effective in advancing privatisation of state owned enterprises, the improvement of financial management, and state downsizing at national and provincial levels (Garcia Delgado 1997). Yet, 'good governance' as a critical goal that enables market economies, overlooked a political agenda, mostly sustained by local experts and practitioners, which focused on procedures and the negative effects on social sectors of market-oriented reforms. Tuozzo also observed that, although Bank-supported reforms were necessary to restore the fiscal capacity of the state and promote economic growth, the 'depoliticised' agenda was negotiated by the Ministry of Finance and thus good governance reforms 'entailed the acceptance of a rather restricted notion of democracy that precludes the inclusion of more encompassing social and economic dimensions previously in place in Argentina' (Tuozzo 2004: 184).

The political versus technical dilemma was also questioned by Casaburi *et al.* in their analysis of the relationship between multilateral development banks, civil society and the government's agendas in reform programmes in Latin America. They argue that World Bank lending conditions were frequently employed as a diverting mechanism to justify the government's adoption of unpopular adjustment programmes and that conditionality helped to overcome internal opposition (Casaburi *et al.* 2000: 512). This was the case in some unpopular reforms carried out during the 10 years of the Menem administration, and continued during the subsequent two years of De la Rúa's presidency between 1999 and 2001. An illustrative case of use of World Bank funds for government clientelistic purposes is the Pro-Huerta project (Abramovich 2003: interview). Pro-Huerta was a social programme incorporated into the guaranteed programmes (programmes that receive fixed funds from the national budget) that the government agreed with the Bank as a condition for a US$ 2.5 million structural adjustment loan that the Bank made in early 1999 to avoid devaluation of the national currency in the face of the 1998 Brazilian economic crisis (Abramovich n/d.). According to Abramovich, director of CELS, a form of exchange was crafted between the World Bank and the government by which Argentina received a loan intended to help the country reduce its vulnerability while confronting abrupt variations of international finance markets, and the Bank included a guarantee clause in the credit agreement intended to protect ongoing social programmes from drastic fiscal expenditure reduction measures recommended by the Bank. However, facing an electoral year, the government redistributed these funds, increasing funds for programmes traditionally rendered as instruments of political clientelism. Despite this political misuse of funds, World Bank support was not suspended (Abramovich 2003: interview). Consequently, a claim was presented by the CELS before the Sub-regional Office of the World Bank in Buenos Aires on the 11 of June 1999. In July 1999, faced with the inaction and silence of the Bank managers in Buenos Aires and aware of the approaching disbursement, a formal claim was presented by the same group to the World Bank's Inspection Panel, reproving the local Bank officials for failing to comply with the Bank's policy directives relating to the poverty reduction, project supervision and access to information. It was not until the case reached the Inspection Panel that the Bank officials and the government reviewed the situation. As observed by Abramovich:

> It is possible that the former [the Country Office representative] was attempting to impede the opening of a case before the Panel, while the latter [the government] sought to avoid stirring any doubt in the eminent and indispensable payment of new credit funds, which would have cast more doubt in the already bleak landscape of the Argentine economy. What is certain is that some time after the complaint was presented to the Panel, 4.5 million additional dollars were guaranteed to the original Garden Program budget. (Abramovich n/d: 4)

This case also illustrates an argument that was presented by Faúndez in his analysis of judicial reform in Latin America. Faúndez sustains that:

> [...] recipient governments are not passive spectators in this [reform] process. Indeed, it is often the case that governments make use of externally funded projects to further their own party political agendas showing little regard for the objectives of the project. In these situations multilateral agencies are caught in a difficult dilemma: either withdrawing on the ground that the government is not seriously committed to the project; or continuing on the expectation that despite the government's behaviour the project will, in the long run, benefit the country as a whole. (Faúndez 2000: 20)

As analysed in Chapter Five, the use of World Bank funds for political purposes was also criticised by local judicial experts and practitioners in the context of the negotiation and approval of the World Bank's supported judicial reform programme, the Model Court Development Project-PROJUM. However, the following chapters also demonstrate that the implementation of political and institutional reforms requires more than attaining government goodwill. The case of judicial reform is evidence of the fact that local actors' opposition to reform as well as the political will of those at the core of the policy-making process are important contextual factors that can inhibit the implementation of programmes, even after loan approval by the Executive (Dezalay and Garth 2002;

Hammergren 1998b). In order to understand how the political and institutional context affected the role of the Bank in advancing judicial reform and anti-corruption, the next section surveys actors, incentives and programmes that shaped the way judicial reform and anti-corruption evolved in Argentina.

ACTORS AND AGENDAS IN JUDICIAL REFORM AND ANTI-CORRUPTION

The political and institutional context that evolved at the end of the 1980s and during the 1990s has largely conditioned the path and depth of governance reforms. To analyse the role of the World Bank in advancing governance reforms in Argentina, and to understand the ways that and the extent to which funding and knowledge were combined for that purpose, four points should be considered. First, the analysis of World Bank-supported governance reforms in Argentina cannot be separated from competing interests, material capabilities, and contrasting discourses, agendas and incentives among the actors involved in the reform process. These are all important factors that affected how the World Bank combined funding and knowledge to advance policy reform. Second, the reforms analysed in this thesis, namely, judicial reform and anti-corruption policies, were embedded in a context characterised by a system of governance shaped by a strong presidential-based style that systematically interfered in judicial governance and procedures, particularly during the 10-year administration of Carlos Menem. As explained earlier in this chapter, major incursions by the Executive into judicial matters resulted in a high degree of politicisation in the system. In fact the judiciary became the political arm that legitimised the government's agenda, and with it, questionable procedures for the implementation of unpopular political and economic market-oriented reforms. Third, as a consequence of the politicisation of the judiciary, judicial independence, legitimacy and the rule of law were significantly affected. Fourth, attempts to reform the system were affected by the lack of political will on the part of key decision-makers from the Executive and the judiciary to modify the *status quo* (and the lack of financial support for initiatives eventually presented by local experts).

Some of these points, in particular the reference to the lack of political will to move ahead a reform programme, were detected early on by USAID (USAID 2002; Hammergren 2004: interview). In effect, USAID was the first external agency that attempted to work with the Argentine Supreme Court on a reform process. This bilateral agency has been involved with redemocratisation process in Latin America since the mid-1980s in its Rule of Law Programme. In the case of Argentina, USAID targeted (i) judicial independence and selection mechanisms; (ii) effectiveness in court administration and judicial and legal education; (iii) the creation of alternative dispute resolution mechanisms (Blair and Hansen 1994). An additional component of the USAID programme was the generation of a means to enhance public knowledge and demand. The programme was started in 1991 but was ended in 1995 after negative assessments showed limited achievement in judicial reform. Specifically, although the Argentine federal courts adopted a code of criminal procedure based on oral proceedings it was concluded that further reforms were difficult to achieve given the 'inadequate incentives to overcome internal differences within the court' (USAID 2002: 33-34). As pointed out by Hammergren, ex USAID official for the *Rule of Law Programme* and current staff of the World Bank's PREM, the lack of political will among judges of the Supreme Court and the Executive inhibited initial efforts to strengthen the rule of law (Hammergren 2004: interview; also Blair and Hansen 1994: 21; USAID 2002: 34). Notwithstanding, the USAID experience paved the way for the entry of international financial institutions in politically sensitive areas of reform, especially as this bilateral organisation directed its work towards new constituencies after encountering resistance to work with executive branches (Hammergren 2004: interview). In the case of the World Bank, while some operational units drew lessons from the USAID experience of engagement with local actors, beyond government officials, for the articulation of programmes, other units sought partnership with the government rather than championing pro-reform networks with civil society (see Chapters Five and Six).

In Argentina, a vibrant civil society developed during the years of military regime (1976-1983) and became established after the restoration of democracy in 1983. Some civil society organisations collaborated closely in the USAID's *Rule of Law Programme*. This was the case for Poder Ciudadano, for instance, a non-profit organisation that represents the national chapter of Transparency International and has pioneered several transparency actions with the support of USAID. By lobbying for transparency, Poder Ciudadano successfully influenced Parliament for the adoption of a bill that facilitated more access to public information (*Ley de Acceso a la Información Pública*) as well as for other policies that enhanced the accountability of public funds. Some of these campaigns succeeded in reforming the infrastructure of political parties, reforming election laws and creating an information database on all representatives in government (March 2003: interview; Santos 2003: interview).

The case of Poder Ciudadano is emblematic in the development of anti-corruption policies in Argentina. Established at the end of 1989 by a group of scholars and practitioners concerned with the protection of civil right, Poder Ciudadano evolved as a policy-oriented organisation that promoted collective action and networking 'in order to build citizenship' (see http://www.poderciudadano.org. 16 February 2005). Its long list of achievements in the establishment of anti-corruption policies since the early 1990s includes watchdog activities, advocacy and campaigns for transparency in public administration and information disclosure on norms and public funds and databases on policy-makers and financial assets (http://www.poderciudadano.org/p_logros_b.asp. 16 February 2005). Poder Ciudadano has worked continuously with international organisations. Not only has it collaborated closely with Transparency International as the national chapter of that organisation, but it has also developed flowing collaborative links with the WBI, coordinating training activities oriented to policy-makers and civil society in Argentina and other developing countries. Personal exchange and close links between the founder of Poder Ciudadano, Moreno Ocampo, and Daniel Kaufmann, director of the Governance Division of the WBI, have been constantly recognised by several actors (Kaufmann 2002: interview; Santos 2003: interview; Gonzalez de Asis 2004: interview)

In recent years, other NGOs traditionally concerned with human rights advocacy and watchdog campaigns turned their activities towards a more proactive engagement in analytical and policy recommendations concerning transparency policies and the reform of the judicial system. Some of these NGOs have collaborated with staff in the Bank's Legal Department in preceding background analysis of the judicial system before loan negotiations with the government. But most of the work of these organisations was concentrated on training and capacity-building for anti-corruption policies in collaboration with the PREM and the WBI (Saba 2003: interview; De Michelle 2003: interview). Some of these NGOs are:

- *Civil Rights Association* (Asociación por los Derechos Civiles- ADC): a non-profit organisation that promotes the reform of the legal and institutional system by presenting proposals to government representatives, carrying out advocacy work and campaigns to raise civil awareness on certain issues. ADC coordinates efforts with other organisations for a wider impact in topics of public interest as well as for a more efficient way of effecting political reforms.

- *Centre of Legal and Social Studies* (Centro de Estudios Legales y Sociales-CELS): an NGO that fosters and protects human rights, the democratic system and the rule of law. CELS focuses mainly on human rights advocacy through litigation in judicial cases.

- *Environment and Natural Resources Foundation* (Fundación Ambiente y Recursos Naturales- FARN): a non-profit organisation promoting sustainable development through policy, law and institutional reform.

- *Institute of Comparative Studies in Criminal and Social Sciences* (Instituto de Estudios Comparados en Ciencias Penales y Sociales- INECIP): an NGO, which aims to contribute to the consolidation and reinforcement of the rule of law through its work on the transformation of judicial systems and criminal procedures.

- *Users and Consumers Union* (Unión de Usuarios y Consumidores): a civil organisation that offers legal protection for consumers and users.

- Centre for the Implementation of Public Policies promoting Equity and Growth (CIPPEC): an independent non-profit organisation focused on the analysis and promotion of public policies in the areas of education policy, fiscal policy, health care policy, transparency and justice.

These NGOs aimed at 'raising public consciousness and putting pressure on politicians to act in a transparent fashion' by (i) 'creating the background information from which the public could be better educated'; (ii) spurring a debate leading to reform; (iii) proposing oversight policies and institutions (Manzetti 2000: 50-53). Since the late 1980, these organisations have pioneered groundbreaking anti-corruption initiatives in Argentina. Furthermore, these NGOs, together with Poder Ciudadano, have undergone a three-stage process in their activities, evolving from performing traditional watchdog activities related to human and civil rights to new pro-active initiatives to raise public awareness of corruption in public policy by means of civic education programmes and campaigns, and finally to leading action-oriented activities by producing policy-oriented research and policy proposals for influencing public policy on transparency and anti-corruption (Saba 2003: interview). In this process, some of their experts have moved across to public administration and by the end of the 1990s occupied positions on the permanent staff of the Anti-corruption Office (see Chapter Six). A number of scholars and practitioners in these NGOs developed a common framework of the conceptualisation and understanding of anti-corruption policies, since they were forged in the same universities, such as the Universidad de Buenos Aires and Yale, and have collaborated in advocacy work as members of Poder Ciudadano (Santos 2003: interview; Braun 2005: interview). 'They are a peer group, similar to an epistemic community' (Santos 2003: interview). For instance, Roberto de Michele, ACO's former Director of Planning of Transparency, Roberto Saba, director of ADC, Nicolas Raigorodsky and Néstor Baragli, Director and Senior Advisor on Transparency Policies in the ACO respectively, and Marcelo Colombo, Director of Planning and Investigation of the ACO, had all worked at Poder Ciudadano. De Michele was its President and Saba Executive Director.

Anti-corruption is established as this group's main area of expertise, although in recent years they have also been involved in topics related to the judiciary (Garrido 2003: interview; Saba 2003: interview). Although during Menem's administration these organisations had little impact on the agenda setting and planning of judicial reform programmes, they developed as a referential body, capitalising on their practical and analytical expertise in the areas of rule of law and anti-corruption. The impact of their work not only reached national level, but they also developed effective networking activities with knowledge-related units in the World Bank, in particular the WBI and the PREM, for the design and enforcement of anti-corruption policies in Argentina and other Latin American countries (see Chapter Six). Yet, as argued by Manzetti, the work of these experts individually and together as members of NGOs, has aimed at influencing *indirectly* policies, rather than advising the government on 'how to reform', which has been the main purpose of the experts working on judicial matters.

While in the area of anti-corruption an epistemic-like community evolved among NGOs and experts, a second community of civil organisations, mostly business-oriented or legal think-tanks, has evolved almost exclusively by reason of their focus on judicial topics. These business-oriented and legal think-tanks developed mainly as consultants and advisers to private and public agents. Thus, in contrast to the NGOs involved in anti-corruption, the work of these think-tanks and consultants aimed at *direct* influence policy formulation rather than at campaigning for greater civic awareness and participation. Some experts within this second epistemic community of think-tanks and legal consultants have moved across from private to public practice, having been recruited as civil servants within the Ministry of Justice. Their main focus of expertise has been the functioning and efficiency of the judicial system. Some relevant organisations that comprise this group are:

- *Forum for the Study of Justice Administration* (Foro de Estudios sobre Administración y Justicia- FORES): a research institution that implements programmes of legal assistance and capacity building for lawyers, academics and bureaucrats. Some of its members were appointed to positions of political responsibility within the Ministry of Justice.

- *Libra Foundation* (Fundación Libra): an NGO that works closely with the Ministry of Justice in the production of research related to Alternative Dispute Resolution, as well as training judiciary personnel.

- *Latin-American Economic Research Foundation* (Fundación de Investigación Económica Latinoamericana- FIEL): a key think-tank involved in policy-oriented research and analysis of issues of judicial reform.

- *Business Development Institute* (Instituto para el Desarrollo Empresario en la Argentina- IDEA): a non-governmental institution whose members are some of the most important corporate executive officers in the country.

- *Federal Board of Courts* (Junta Federal de Cortes y Superiores Tribunales de Justicia de las Provincias Argentinas- JUFEJUS): a federal entity that brings together members of Supreme Courts of Justice at the provincial level.

- *Bar Associations* (Colegio Público de Abogados de Capital Federal and Colegio de Abogados de la Ciudad de Buenos Aires): non-profit associations whose purpose is to bring together professionals of same standing.

- *ARGENJUS*: a consortium formed by representatives of NGOs, think-tanks, experts and consultants, and educational institutions, most of which are members of the above-listed organisations, that work on issues connected to the justice system.

These organisations played a major part in the generation of diagnostic sector studies and academic work for the last 30 years (Lynch 2003: interview). Informally, there have been important and fluid linkages between these organisations and policy-makers within the judiciary; some of their ideas have percolated into policy streams since they endorsed, or at least did not conflict with, government and World Bank perspectives. In particular, experts in these organisations were called upon to participate in joint sector assessment supported by the Bank's Legal Department in the initial stages of its intervention in 1993 and 1995. As explored in Chapter Five, these linkages, however, were adversely affected when disagreement on priorities and approach led to conflicts between local actors, the government and the World Bank country team. As claimed by Tuozzo, although 'there seems to be plenty of agreement on diagnoses, agreement between different bodies in the judiciary about possible routes of action has proved to be far more difficult to achieve' (Tuozzo 2004: 190). This tension between national experts and the World Bank reflects the major question of how the Bank engages in judicial reform within a framework of non-interference in the political affairs of its borrowing members as required by its Charter. This was even more so since 'home-grown' consensual knowledge for judicial reform, articulated by experts from legal and business think-tanks and from the Ministry of Justice, was considered by the Executive and by the Supreme Court to challenge the *status quo*.

As argued in Chapter Five, policy implementation in the case of judicial reform was determined by a situation in which the judges of the Supreme Court were reluctant to undertake reforms that would modify the *status quo*, as well as by an Executive that sought not to discomfort an institutional branch so necessary for the advance of its political purposes (Garavano 2003: interview). This was the case, for instance, with the 1998 National Plan of Judicial Reform (*Plan Nacional de Reforma Judicial*) drafted by local experts with the support of the Ministry of Justice, Ricardo Gil Lavedra, and presented (unsuccessfully) to the Executive. The National Plan was the first local initiative articulating earlier research conducted by local legal and business think-tanks and the Ministry of Justice (Garavano 2003 interview; Lynch 2003: interview; also Chapter Five). The National Plan targeted some politically sensitive issues such as access to justice, and also proposed the creation of a Centre of Judicial Policy and Management Supervision (www.reformajudicial.jus.gov.ar/materiales/plannac.htm. 8 December 2004). Yet, although the Ministry of Justice has the power to present bills and policy initiatives to Parliament and to the Executive, it has no powers of implementation and enforcement. This situation created disincentives and competing objectives regarding the ideas that informed reforms, the scope of reforms and the pace of reforms, discouraging further linkages between research and policy to work on common ground. However, it did not discourage the involvement and influence of the World Bank in judicial reform, as it was able to combine its financial instruments with its policy paradigm.

Jodi Finkel, in her analysis of the judicial reform and electoral incentives in the case of Argentina, poses a crucial question: 'why would a ruling party agree to institutional reforms that limit their own political power?' (Finkel 2004: 56). Her assumption is that 'political leaders prefer to minimize constraints upon their exercise of power, ruling parties should not be expected to wilfully enact reforms that increase the judiciary's potential to limit government authority' (*ibid*: 59). Yet the way judicial reform succeeded in reaching the government's agenda was via an initiative of the World Bank's Legal Department (see Chapter Five). This was mainly because the Bank's interest in legal and judicial reform was not related to the political aspects of the system, but to the rather technical ones linked to conditions that enable a sound investment climate (Dakolias 1995: 167-168). According to the Bank's country assistance strategy, in the case of Argentina the lack of a reliable and efficient judicial system increased the costs of commercial transactions and hampered the development of a market mechanism based on contractual obligations (World Bank 2000c). Furthermore, the IMF echoed these claims, arguing that widespread tax evasion and non-compliance are a consequence of the ineffectiveness of a judicial system that encourages such behaviour (IMF 2004: 30). In this context, the World Bank's apolitical stance made the Argentine government find a less controversial ally in the World Bank and its programme than in proposals put forward at the local level.

Finkel's question can also be applied to the case of anti-corruption. However, in this case the initial political and institutional settings were significantly different from the political setting that shaped the path of judicial reform. As analysed in Chapter Six, divergent patterns determined a different experience in the adoption of anti-corruption policies in comparison to the process of judicial reform. Anti-corruption was placed on the agenda by the new president, Fernando De la Rúa of the centre-left coalition *Alianza*, who succeeded Menem after the general election in October 1999. In addition, the judicial reform programme was task managed by the Legal Department, which proved less open to working with local actors. In the case of anti-corruption, the main World Bank units involved were the PREM network and the WBI, who were more willing to engage with local actors through institutionalised exchange of knowledge and funding for programme design and implementation (see Chapter Six). Also, in terms of reform outreach, a key difference between judicial reform and anti-corruption was related to the nature of these programmes; that is, in the case of judicial reform the issue at stake was the reform of a long-established state institution, while the case of anti-corruption reform did not demand the modification of an established institution, but the establishment of a new one in order to set up new policies. One manifestation of this was that in contrast to the judicial sector, the implementation of anti-corruption policies was forged by the logic of experts rather than limited by corporate interests (Baragli 2003: interview). From this perspective, while knowledge and policy became contending grounds in the case of judicial reform, in the case of anti-corruption policies the engagement of World Bank managers and local actors articulated and compromised positions facilitating policy change (see Chapter Six).

Ultimately, what these two cases of governance reforms suggest is that the role of World Bank units forging judicial reform and anti-corruption programmes varied depending on the extent to which the World Bank sought either to *transfer* or to *broker* financial resources, best practices and expertise to foster the implementation of policies on the ground. To analyse these dynamics in Argentina's judicial reform and anti-corruption policies, the next section introduces the initiatives supported by the World Bank in these areas.

WORLD BANK INITIATIVES IN JUDICIAL REFORM AND ANTI-CORRUPTION IN ARGENTINA

In general terms, as the analysis of the next chapters shows, the way judicial reform and anti-corruption policies unfolded in Argentina revealed a distinctive pattern in the role of the World Bank in two aspects: one related to the way World Bank and local actors interacted throughout the project cycle; the other related to the effects of combination of knowledge and money for the implementation of governance norms.

Some scholars have acknowledged that the advantage of the (Knowledge) Bank in implementing policies relies on the fact that it not only lends money and produces ideas but, more importantly, it packages the ideas and the money together, combining lending with conditionality (Gilbert *et al.* 1999: f610, quoted in Santiso 2002: 10). Yet, in the case of Argentina's judicial reform this fact was its downfall. As analysed in the next chapter, although funding was an effective instrument triggering the reform process, Bank managers acted as supplier of 'best practices' transferring what the Bank produced as blueprints and sound polices overlooking existing local knowledge and expertise in the country. Some local experts claimed that operational units within the Bank, such as the Legal Unit, often follow their own operational approach and perspectives regarding judicial reform regardless the existing work done by local experts in the sector (Lynch 2003: interview; De Michele 2003: interview).

In 1998 the Bank's task manager from the Legal Department, Maria Dakolias, discussed a reform programme, the Model Court Project/ PROJUM, with the Argentine Executive. That was, paradoxically, the same year in which local experts in collaboration with a task group from the Ministry of Justice presented the National Plan of Judicial Reform. As explored in Chapter Five, the Bank's PROJUM focused on technical aspects of the system related to the modernisation of courts despite the highly political issues raised by the local experts in the initial stages of their sector assessment and the content of the National Plan. As the analysis of next chapter illustrates, despite initial collaboration with local consultants and experts, the content of the programme and the priorities for the loan assistance were finally negotiated by the Bank's manager and the government. As a result, the Bank's PROJUM adopted a technical approach that suited World Bank paradigms as well as government priorities. PROJUM, in effect, promoted a 'depoliticised' reform that focused on the technical aspects of the system related to modernisation of courts, legislation on property rights, public and private contracts, and labour regulations, among other issues. In addition, the selection of courts to be reformed was determined by the Bank and the government despite those suggested by national experts the National Plan (Alvarez 2003; interview). Furthermore the scope of the reform was defined at the federal level instead of at the provincial level where major indexes of corruption had been detected (Garavano 2003: interview; also Chapter Five). Table 2 offers a technical description of PROJUM.

Table 2. The Model Court Programme (PROJUM)

Sector Reform Loan (43140)
US$ 5 Million
Task Manager: Maria Dakolias (Legal Vice Presidency)
Approval Date: April 1998
Borrower: Ministry of Economy
Implementing Agency: Supreme Court
Status: ongoing
Closing date: originally November 2001, changed to November 2003. Currently delayed to 30 June 2005
Supporting Broader Development Goals: Investment Climate

Source: World Bank (1998b) Project Appraisal Document.

As analysed in the next chapter, judicial reform in Argentina reproduced a knowledge-policy dynamic in which the leverage of the Bank, financial and ideological, was sufficient to agree a reform programme with the government. This leverage was not enough to achieve the broader levels of legitimacy among local actors from civil society necessary to achieve effective implementation. Some authors claim that World Bank conditional loans are a sufficient means to reproduce the norms and values of the neo-liberal project hegemony (Cammack 2004). Likewise, others have highlighted the power of the World Bank as a provider of market discipline and (best) practices that help developing countries in promoting market-oriented growth strategies (see Chapter Two for further theoretical discussion). Furthermore, scholars working from a critical perspective argued that the World Bank's development norms supported and facilitated the global expansion of capitalism by framing common sense and collective images (Cox 1993). That is, by championing development paradigms according to certain practices and ideologies, the World Bank promotes certain norms in defence of a particular project (Gill 1995; 2000: 4-10).

What these theories are not saying is how, and the extent to which, local actors outside the government take, contest, modify or reject the policy ideas implicit in World Bank transfer of funds and knowledge. From this perspective, the case of PROJUM illustrates the importance of analysing not only the context in which reforms are undertaken, and the interplay between actors and ideas/knowledge, but also the ways different units of the World Bank engage in promoting development goals by financial and non-financial means.

The case of PROJUM highlights the problems of overstating the dominant power of the Bank (see Chapter Five). It also supports the main argument of this thesis, which suggests that, whatever the leverage of the World Bank as a financial institution or as a Knowledge Bank – and despite this leverage – it cannot implement programmes by itself. A project loan, as well as its conditions, can be discussed and negotiated with government officials, but the materialisation of projects into new institutions and policies is a process that is embedded in political, institutional and economic contexts in which actors' incentives can favour or inhibit policy change. Likewise, the cases of anti-corruption analysed in Chapter Six strengthen these arguments and suggests that the capacity of the

World Bank in advancing governance-related reforms is explained by its capacity to 'broker' deals with local actors to gain consent to advance politically sensitive reforms.

Anti-corruption policies in Argentina reflected a distinctive pattern that differs from the experience of judicial reform. That is, while judicial reform showed evidence of a case in which the World Bank's Legal Unit transferred funding and knowledge following a 'donor-driven agenda', in the case of anti-corruption the PREM network and the WBI brought in the local, 'tacit' knowledge supporting local champions in the pursuit of a set of common themes and questions. The result was the creation of a supportive policy environment that enhanced mutual learning among knowledge producers, knowledge users and the World Bank. The use of local knowledge/evidence for World Bank-supported programmes is highly political, thus it can inhibit the Bank in involving politically-contending knowledge (from opposing actors for instance) and proposals in policy design. In this context, some task managers recognised that while the Bank was doing a good job in diagnostic work and that as the Bank expanded its operational involvement, new operational instruments were adopted, 'when translated into projects task managers can only work within the space governments open; because the Bank is a Bank of governments' (unnamed World Bank Country Director for Latin American Region C: interview). Yet, without contradicting the 'Bank of governments' argument, some Bank officers became more adept at facilitating and coordinating local knowledge producers, activists and decision-makers in order to put ideas into practice. In the case of anti-corruption, the PREM and the WBI created a policy window by brokering global and local knowledge for the formulation and implementation of policies. As explained in Chapter Six, this practice had important implications for policy-making since it developed or strengthened policy expertise among local actors who were later involved in policy-making within the newly established Anti-corruption Office.

Anti-corruption programmes supported by the World Bank were introduced in Argentina in late 1999, on the eve of a change of presidential administration. In 2000 the Public Sector Group in collaboration with research done by the WBI and the Evaluation

Department released the *Anti-corruption Diagnostic for Argentina: Overview of Three Reports and General Recommendations* (World Bank 2000d). The Bank's assessment presents an institutional and governance overview and lists a series of recommendations that were taken up during the short-term presidential administration of Fernando De la Rúa, Menem's successor. De la Rúa made combating corruption a major priority of his government and during his first year in office new initiatives were undertaken with the support of the Public Sector Group within the PREM network and the WBI. Together with local experts and NGOs, in particular Poder Ciudadano, operational tools and analytical work, as well as technical assistance projects were designed and put into practice. The institutional weaknesses and the lack of transparency in the public sector were perceived as major problems in this area. Accordingly, the World Bank's PREM and WBI supported the strengthening of institutional capacities and the development of accountability mechanisms. Two main programmes were implemented within this framework: 'Strengthening of the Anti-corruption Office' and '*Crystal* Government Initiative'. Both were part of a grant that relied on local expertise for the design of policy programmes and putting them into practice (see Chapter Six). Table 3 summarises the technical details of these projects.

Table 3. Strengthening of Anti-corruption Office and Crystal Initiative

Anti-corruption Office	Crystal Initiative
Institutional Development Fund Grant	Institutional Development Fund Grant part of State Modernisation Loan
US$ 410.000	Financed with resources from the US$ 30 million Loan No.4423-AR (originally, Technical Assistance for Year 2000)
Task Manger: Linn Hammergren (PREM)	Task Manger: Ron Myers (PREM)
Approval Date: June 1999	Approval Date: August 2000
Status: closed (11/10/2004)	Status: ongoing
Implementing Agency: ACO, Ministry of Justice	Implementing Agency: Undersecretary of Public Administration

Source: World Bank, http://www.bancomundial.org.ar/arg_don_p08.htm. 16 February 2005.

The grant to support the Anti-Corruption Office was approved in order to implement institution-building activities under the expenditure plan approved in advance by officers of the Bank. The main components of the grant included (i) enhancing the Anti-Corruption Office in areas such as conflicts of interests and standards of ethical conduct; profiling of corruption crimes reported to the law enforcement authorities; multiple employment in the Civil Service; unlawful enrichment; witness protection act; and (ii) stimulating the implementation of the provisions of the Inter-American Convention against Corruption in Argentina. These goals that framed the World Bank's grant capitalised on the work of NGOs and local experts (Baragli 2003: interview; see Chapter Six).

Similarly, the Crystal Government Initiative is a grant and technical support for the set up of a virtual portal, launched in early 2000, to release information according to the mandate of the September 1999 Fiscal Responsibility Law (No 25.152), which required that the state make available to its citizens information related to the administration of public funds (World Bank 2000d). The Crystal Initiative complements the efforts of the ACO in the implementation of transparency and the disclosure of public information in relation to public funds (Razzotti 2003). As explored in Chapter Six, the Crystal initiative, as part of a major World Bank loan that supported state modernisation, is considered an example of the efforts made by World Bank managers to integrate better governance reform programmes in Argentina with local realities and contextual priorities.

The implementation of these anti-corruption programmes capitalised on local knowledge. The engagement in networking activities between World Bank officials and local experts and practitioners in this area not only broadened the bases of legitimacy but also reduced the likelihood of local resistance to the implementation of the programmes. This aspect of consensus building reaffirms Gramscian notions of power as a combination of coercion and consensus and the notion explored in this thesis that suggests that the process that underlies the policy change is inherently linked to the way local experts articulate divergent collective ideas and interests, rather than being simply passive recipients of funds and knowledge.

CONCLUSION

The 1998 multi-year research programme on aid effectiveness published by the World Bank critically claimed that aid is a combination of money and ideas (Dollar and Pritchett 1998). It stated that while money has a big impact in reform, the knowledge-creation side of aid is the generator of reforms (*ibid.*: 47). Yet, as this thesis suggests, in the promotion of politically sensitive reforms, such as those related to governance, the combination of funding and knowledge confronted two main dilemmas: either the Bank staff involved in the promotion of governance-related programmes act on the basis of pre-conceived ideas of what constitutes good policies and good reforms, or they act as a 'broker' articulating World Bank best practices and norms with country-based knowledge for the design, negotiation and implementation of policy change. The mechanisms and the attitude toward development assistance and local actors are critical for the prospects of reform processes. Externally-supported projects are context dependent and thus actors, incentives and resources explain the path and depth of the reform implementation.

To understand these dynamics, this chapter set the context in which World Bank staff pursued judicial reform and anti-corruption in Argentina. It also outlined the specific characteristics of these governance-related projects as well as the actors involved in these areas. Judicial reform and anti-corruption in Argentina, and the context in which they were designed, negotiated and implemented are illustrative cases to show that the World Bank can act as a mere conveyor of apolitical, technical blueprints or as a norm-broker engaging with civil society actors in the articulation of knowledge (theoretical and practical) that supports the implementation of reforms. The context presented in this chapter, therefore, provides the grounds to analyse these two governance reforms that underwent divergent policy processes and outcomes. These cases, in effect, illustrate how knowledge and policy are contesting areas and how the interplay between knowledge that is codified within the Bank and knowledge articulated and conveyed by local actors can sometimes inhibit and sometimes facilitate implementation of the Bank-supported programmes on the ground (see Chapters Five and Six).

As Chapter One explored, both judicial reform and anti-corruption programmes created new standards in the rhetoric and practice of the World Bank's development agenda since the mid-1990s. These standards grounded projects that operational units had been promoting in developing countries. In this sense, knowledge is an important asset that orients the allocation of funding within and outside the Bank (see Laporte 2002). Financially, neither PROJUM nor the programmes supporting anti-corruption in Argentina, the Anti-corruption Office Support and the Crystal Government Initiative, represent big projects in terms of lending volume within the portfolio of the World Bank for the country (see Table 1). However, the potential in terms of further replication in other countries and regions made these cases relevant for Bank managers.

Both Bank staff as donors and local actors as recipients of funds and knowledge have incentives that affect the prospects of the reform. Furthermore, in the absence of binding operational guidelines on how to approach governance reforms and what instruments to use, a decisive factor for task managers might be the need to reduce risk in loan approval, this being criteria for staff performance evaluation. In this context, if local experts' proposals become 'highly political', task managers might be more inclined to act without local experts in the design and implementation of programmes, since they may endanger the transfer of resources, and thus prioritise their relationship with governments rather than local experts. Faced with the lack of operational directions that require project managers to work with local experts, then, task managers responded in two ways: either they followed a loan approval rationale securing agreement with key policy-makers rather than reaching agreement with local experts, or they incorporated local experts in the articulation of the reform programme. In other words, either Bank staff discouraged linkages with local experts and practitioners, overlooking other sets of ideas, proposals or simply other communities of thought; or they acted as a norm-broker by engaging with local actors through lending and knowledge-related activities to reproduce policy ideas throughout the reform cycle.

On the government's side, the adoption of apolitical, technical, conditional loans can give useful signals in response to the uncertainties of private investors without changing the *status quo* (Dollar and Pritchett 1998: 58). In this context, the World Bank's apolitical stance led the Argentine government to find a less controversial ally in the World Bank than in local proposals. Whether government commitment results in further project implementation, however, is not an expected consequence of loan approval. The contrasting outcomes in the cases of judicial reform and anti-corruption in Argentina prove this point and show that materialisation of policy change is a complex process that entails more than simply the imposition of a 'World Bank view'. Effective implementation is the consequence of the creation of common grounds, a 'common sense' approach that reconciles World Bank views, the policy ideas of local actors and the political interests of governments. From this perspective, the next chapter offers an empirical analysis that validates this thesis and proves that governance-related reforms are less likely to be successfully implemented or materialised into policies and institutions when the Bank is reluctant or fails to engage in pro-reform networks with local experts to articulate different knowledge and policy paradigms.

CHAPTER FIVE

THE WORLD BANK AS A CONVEYOR OF FUNDS AND KNOWLEDGE IN JUDICIAL REFORM IN ARGENTINA

INTRODUCTION

Having reviewed the institutional changes undertaken within the World Bank since the early 1990s, and analysed the general characteristics of the political-economic environment in which governance reforms unfolded in Argentina, this chapter offers an empirical analysis of the role of the World Bank in the articulation of knowledge, finance and networks in the case of judicial reform in that country. The central concern of this chapter relates to the power of the World Bank in advancing judicial reforms in Argentina. This chapter investigates empirically the argument central to this thesis, namely, that whatever the leverage of the World Bank as a financial institution or as a Knowledge Bank it cannot alone implement its own programmes. From this perspective, a project loan and its conditions may be agreed with government officials, but reforming policies and institutions is affected by the political, institutional and economic contexts in which actors' incentives, ideas and policy paradigms can favour or inhibit policy change.

Applying the framework of analysis elaborated in Chapter Two, this chapter claims that the power of the World Bank to implement governance reforms is explained by its capacity to act as a 'broker', engaging with local actors to articulate World Bank/global and local knowledge and to gain their consent for an effective materialisation of policies and institutions at the national level. In other words, policy change is expected to be the result of consensual arrangements with local actors that legitimise a political-economic programme supported by the World Bank and that are participant in the progress of the project implementation. Accordingly, it is suggested that when the World Bank is able to draw on its material and ideational power to build and consolidate 'pro-reform networks' with domestic actors, it can have considerable influence on the implementation of new governance norms in its client countries. The empirical analysis offered in this chapter validates this thesis by asserting that governance-related reforms are less likely to be successfully implemented when the Bank is reluctant or fails to engage in pro-reform networks.

The chapter discusses the implications of the World Bank's Legal Department acting simply as conveyor in the transfer of paradigms and best practices for judicial reform in Argentina. It suggests that the failure to recognise social contestation and networking efforts to close the gap between the World Bank's 'best practices' and local knowledge inhibited the implementation process and created a situation in which the Bank lost legitimacy, autonomy and influence in the area of judicial reform

This chapter is divided into four parts. The first part resumes the discussion on governance and knowledge management and the implication of these aspects of development assistance for the way in which different operational units within the World Bank engaged in the promotion of good governance.

The second part concentrates on the judicial sector and explores the principal demands that underpinned local efforts to reform prior to the entrance of the Bank mission to this sensitive policy area.

The third part analyses the rationale and role of the World Bank in the promotion of judicial reform in Argentina. It is argued that the staff of the Bank's Legal Department tended to reduce the goal of judicial reform to a logic of loan approval ensuring the government's agreement, rather than seeking a broader consensus with local experts who had been previously pushing for reforms in the sector.

The fourth part of the chapter discusses the implications of the Bank's acting as a mere conveyor in the transfer of paradigms and best practices for the judicial reform programmes. It develops an argument towards the understanding of the relationship between knowledge, policy and pro-reform networks in the implementation of judicial reform. It is claimed that the World Bank's approach to judicial reform ultimately competed rather than cooperated with local knowledge and local paradigms and, consequently, PROJUM failed in its goal of institutional reform. The chapter closes with concluding remarks on the role of the World Bank in judicial reform in Argentina and the different patterns of involvement encountered by the PREM and the WBI in the case of anti-corruption.

GOVERNANCE, KNOWLEDGE AND THE BANK'S 'APOLITICAL' DILEMMA

As previously argued in Chapter One, the promotion of new norms of governance for development has changed the way of 'doing business' within the World Bank. Governance not only represents a critical break with the Bank's traditional apolitical and technical agenda, but also a break with its traditional operational patterns. In effect, by the mid-1990s the World Bank had revised its agenda, promoted under the framework of the Washington Consensus, and add new normative goals stressing good governance fro development. In practice, this agenda incorporated new investment in traditionally neglected sectors and new guidelines for project management in public sector and institutional reform (Nelson 2000: 413).

The World Bank's involvement in governance assistance, however, has not taken place without seriously challenging its mission and mandate. Despite being carefully justified in terms of creating an institutional environment to enable private investment (Shihata 1991 quoted in World Bank 1992a: 5) the implementation of governance, in particular programmes related to judicial and anti-corruption reforms, have challenged the World Bank's apolitical mandate of non-interference in affairs of domestic politics (Santiso 2002; Marquette 2004; also Chapter One). The way the World Bank got around this issue, however, was by creating new instruments that complemented traditional, and mostly intrusive, conditional loans with new non-financial tools within a knowledge management programme oriented to exert influence and create new incentives within the development community. In effect, the adoption of the new governance agenda catalysed new instruments beyond its traditional lending strategies endorsing governance norms in development aid within and outside the Bank.

The development of the governance agenda was parallel to broader discussions within and outside the Bank on the effectiveness of conditionality as a coercive instrument ensuring compliance with policy reforms in developing countries (Killick 1998 *et al.*). Some arguments were raised maintaining that conditionality as an instrument to coerce policy change was not applicable to politically-based reforms, such as those related to state institutions (Kappur and Webb 2000). Similarly, other scholars argued that although in some cases conditionality worked as an effective mechanism to assure programme approval, the ownership of programmes – namely, the right to make final decisions on its content and on implementation procedures (Johnson 2005: 3) – or its absence, exerted a 'decisive influence on the degree of programme implementation' (Killick *et al.* 1998: 90). Killick *et al.* argue that:

> Ownership has strong explanatory power because it is a proxy indicator of the extent to which the policy reforms in question are perceived by those who must execute them as being in their own, and their compatriots interests. (*ibid.*: 98)

As explored in Chapter One, the debate on the effectiveness of conditionality was advocated within the Bank by the DECRG (see Collier 1997) and by the internal portfolio evaluations lead by Willie Wapenhans in 1992 (World Bank 1992c; Caufield 1996; also Chapter One). Such criticisms were also supported by academic work carried out by Bank economists and other scholars who concurred that conditional lending was a failed formula for growth (Mosley *et al.* 1995; Killick *et al.* 1998; Kapur and Webb 2000; Dollar and Svensson 2000; Easterly 2001: 118).

While the debate on conditionality opened up an opportunity to define new objectives in World Bank assistance, the ability and the willingness of task managers to follow new rules sometimes collided with traditional institutional incentives. That is, World Bank staff were traditionally driven by an imperative of disbursement regardless of the political-economic implications of effectiveness in implementation. New efforts toward consensus building, involving constituencies beyond government, and the exchange of knowledge and expertise with local actors for programme design and implementation then became an element in Bank operations. Despite the acknowledgement that conditionality had not been effective in forging reform implementation and policy change, not all operational units and task mangers changed their attitude toward a more consensual way of promoting development assistance by increasing participation of local actors beyond traditional patterns of close negotiation with government agencies.

As Chapters One and Three suggested, the adoption of the Strategic Compact and the CDF in the 1990s was key in refocusing and retooling the World Bank for an effective promotion of new development norms via funding and knowledge activities. However, Bank staff were not given binding operational guidelines for integrating World Bank normative knowledge and local expertise for programme design and implementation. As observed by David Gray, Regional Coordinator of the GDLN, the articulation of knowledge and funds has been at the discretion of the task managers, and thus depended on his/her personal commitment, informal relationships with borrowers, and professional practices (Gray D. 2004: interview).

This assertion was reflected in the World Bank's 2003 *Annual Review of Development Effectiveness*. The review recommended that sufficient attention be paid to alternative perspectives and to individual country circumstances (World Bank 2004b). Similarly, a review of World Bank operations policy highlighted the importance of local knowledge and of supporting local expertise and stated that 'generic *best practices* should give way to intensified efforts to customize and adapt knowledge to specific localized problems, taking country experience into account' (World Bank 2005a: 8).

Several analyses in international studies and public policy literature have acknowledged the implications of governance and knowledge management as new aspects for development assistance and institutional changes within the Bank. Less empirical analysis, however, has been developed to explore the implications of these changes for the implementation of programmes in developing countries. Likewise, scholarly work has given little attention to the implications of these changes for the way different operational units within the Bank pursue their operational agenda by combining funding and knowledge for the promotion of governance-related reforms. In practice, the adoption of new governance goals and knowledge management as part of the Bank's operational assistance caused task managers to face two dilemmas. One related to the achievement of politically sensitive reforms that might affect the corporate interests or vested political practices underpinning the shaping and functioning of public policy; the other related to ways of articulating World Bank policies and blueprints with local expertise and home-based proposals for reform. The way task managers face these dilemmas affects the pattern of involvement of the Bank, the policy-making process and implementation outcomes. The remainder of this chapter considers these issues in order to explain the role of the World Bank in judicial reform in Argentina.

PRIOR ATTEMPTS AT JUDICIAL REFORM BEFORE THE BANK'S INVOLVEMENT

Judicial reform efforts in Argentina did not begin in the 1990s with the intervention of the World Bank in this sector. A strong local knowledge base developed prior to the arrival of the World Bank with judicial reform proposals for the country. The earliest attempts to reform the judicial system date back to the 1970s when, paradoxically at the time of military regime (1976-1983), the national legal think-tank, FORES, organised a workshop to discuss with members of the judiciary and civil associations problems and prospects of judicial reform in Argentina. Some proposals were drafted at the time, but gained insufficient political support. Political and institutional obstacles inhibited any effective achievement of these programmes, so attempts to reform were not focus of the government agenda (FORES 1998; also http://www.foresjusticia.org.ar).

Internationally, among the first agencies to raise awareness of the need to support the rule of law and judicial reform in Latin America was the USAID. USAID began legal system strengthening activities in the early 1990s The bilateral agency proposed a judicial reform under its *Rule of Law Programme* in Latin America, at the time when most countries in the region were experiencing a process of redemocratisation (Hollifield and Jillson 2000). The Rule of Law Programme for Argentina aimed at creating capacity building supporting a national judicial school initiative for the training needs of the federal court system. The judicial school as well as other planned activities, however, did not go far as USAID's task managers encountered resistance within the national Supreme Court, the organ that approves reform projects together with the Executive (Hammergren 1998; Otamendi 2003: interview). In its 1994 evaluation USAID reported that:

> political and personal differences in the national Supreme Court (which had to approve the project) proved too intense to launch the school, and, in the wake of this conflict, other planned activities proved ineffective as it became evident in Argentina over time that there was neither sufficient will nor coherence at the top of the federal judicial system for undertaking reform or even for devoting serious energy to considering it. Nor was national political leadership outside the court under President Carlos Menem seized with the importance of reforming the judiciary. (Blair and Hansen 1994: 21)

The same report also noted that in Argentina changing procedures for the selection of court members through a merit-based scrutiny process 'has proven ineffective inasmuch as the executive branch essentially refuses to recognise the validity of the scheme, preferring instead to continue on with the tradition of making political appointments to the bench' (*ibid.*: 37). The resistance to any change the *status quo* by the Executive and the judges of the Supreme Court was a key aspect of the political and institutional incentives that shaped the policy experience of judicial reform and with it the role of the World Bank in promoting reforms in the sector.

At the national level, several public opinion polls confirmed the alarming deterioration of confidence in the judiciary and the rule of law in Argentina. According to Gallup, at the time of the democratic restoration, confidence in the judicial system was rated as 57 percent; by 1991 the percentage had fallen to 26 and by 1993 to only 17 (quoted in Blair and Hansen 1994: 29). Another Gallup poll in 1994 showed that 72 percent of respondents considered the judges 'too influenced by the government', and that 69 percent believed that the decisions of the Supreme Court were either 'extremely politicised' or 'very politicised' (Larkins 1998: 429, emphasis in original).

According to Iaryczower *et al.*, public perception of the administration of justice and the working of the Supreme Court in Argentina between 1992 and 1998 was negative (Iaryczower *et al.* 2000: 3). This survey revealed that:

> in October 1992, 63 % of the poll considered that the Supreme Court was not independent from the Executive Power, and 70.5 % that there was no effective rule of law in Argentina. In September 1993, only 13.3 % of the people surveyed had a positive perception of the Supreme Court. In July 1994, 81.4% answered "no" to the question "Is Justice effective in fighting corruption?" In February 1996, 69% qualified the Judicial System as "very bad". In June 1997, 63% of the people had a negative image of the judicial system. (Iaryczower *et al.* 2002: 3, footnote 14, emphasis in the original)

The result of these polls reinforced demands from civil society organisations, local scholars and experts for a more transparent and responsive judicial system. While some business and economic actors, especially those that were favoured by the macro-economic reforms undertaken by Menem's administration during his first term as president, initially welcomed the transformation of the economy through market-oriented reforms, but the deterioration of the rule and predictability of laws led these actors to raise questions about 'judicial security' in a context in which the Executive's intervention on judiciary aspects was jeopardising the investment climate (Asselin 1996).

The inefficiency of the judicial system and the costs of malfunctioning state institutions, in particular the Supreme Court, to economic development were analysed by the national think-tank IDEA, a non-governmental institution whose members were some of the most important corporate executive officers of the country. IDEA conducted a study that identified lack of independence and high levels of corruption as the main problems of the sector, caused by deficiencies in the system. This report was presented at

IDEA's annual meeting in 1993 and discussed with government representatives and other representatives from the justice and business sectors (Garavano 2003: interview). The concerns of the private sector were also echoed by another business-oriented think-tank, FIEL. In its report *Reform of Judicial Power in Argentina*, published in 1996, FIEL emphasised the importance of an efficient judiciary for economic development (FIEL 1996). The empirical evidence provided in this report was highly influential in key economic circles and legal think-tanks, like FORES, which articulated, in turn, a series of policy proposals and diagnostic work for reforming the sector based on the findings produced by the national think-tanks (see following section in this chapter).

These concerns were consistent with other surveys conducted and analyses provided by bilateral organisations and international NGOs, such as Transparency International, CASALS and the Canadian Foundation for the Americas (FOCAL). In addition to the work conducted by USAID, these international agencies associated judicial inefficiency with widespread corruption, political discretion on state positions appointments and manipulation of the Supreme Court (Moreno Ocampo 1993: 199; Clarín 1998: Política; Manzetti 2000: 18; Buchanan 2001). In 1998, Transparency International's Corruption Perception Index positioned Argentina as one of the most corrupt countries in the world (http://www.transparency.org/cpi/1998/cpi1998.html. 2 August 2005).

Dating from 1992, the World Bank initiated a process of judicial reform in Venezuela and Ecuador, and published some references to the importance of judicial institutions for growth and development. The increasing appreciation of the costs of inefficient judiciaries for economic development was also reinforced by other organisations such as the IMF and the IDB (Miller-Adams 1999; Buscaglia and Dakolias 1996; World Bank 2001b; 2001e; IMF 2001).

In this context, President Menem's strategic response to increasing demands for transparency and accountability was pragmatic. As analysed in Chapter Four, the constitutional amendment pursued in 1994 ensured that although policy and institutional changes were undertaken, the system of governance did not challenge the tight control of the Executive over state institutions (see Chapter Four, Part One; also Garcia Delgado 1997). For instance, notwithstanding efforts at reform by creating a National Judiciary Council, a Jury of Impeachment or a National Office of Ethics (ONEP), transparency and accountability did not reach further than the setting-up of this 'oversight' infrastructure which in fact failed to start functioning, given the lack of parliamentary agreement on membership, regulatory policies, norms and procedures (Bill Chavez 2004: 477). The control of the Congress by Menem's party, the Peronist Party, from 1989 until 1997, enabled Menem to delay the creation of institutions that might endanger its political manoeuvres and the Executive's authority over the removal as well as the appointment of judges in the Supreme Court (*ibid.)*. It was not until the victory of the opposition party, the Alianza, in the legislative elections of 1997, that a window of opportunity opened and the political context eased. Yet, representatives of the new institutions were not sworn in until the end of 1998, and in the case of the Judicial Council it only began operating in early 1999, nearly five years after the promulgation of Argentina's new constitution (Finkel 2005: 72).

The structure of incentives was largely divergent and conflicting during Menem's administration (see Chapter Four; also Hammergren 1998b). Local actors that were working on proposals for reforming the sector found no interlocutors among the decision-makers and thus only technical, apolitical aspects related to certain regulations and the institutional façade were likely to percolate the policy stream. In other words, when reform proposals were pro-*status quo* and did not alter the internal balance of power that was grounded on a highly dependent judiciary, they were more likely to be supported by Menem's government. Proposals concerning politically sensitive goals related to the functioning of the system, access to justice, provincial governance and the decision-making process in the judiciary were missing from the Executive's agenda.

As pointed out succinctly by a local expert, the judges of the Supreme Court were reluctant to undertake reforms that would modify the *status quo*, and the Executive did not seek to discomfort an institutional branch so vital to advance its political purposes

(Bohmer 2004). In this context, notwithstanding the work of local actors and the increasing demands from different sectors, opportunities for local experts and practitioners to influence policy formulation were often limited (Chayer 2003: interview; Mazzinghi 2003: interview; also Blair and Hansen 1994).

In this context, the World Bank's Legal Department entered the national arena with its own judicial reform paradigm. The next section analyses the initiatives of the World Bank in judicial reform in Argentina. It is argued that the staff of the Bank's Legal Department tended to reduce the goal of judicial reform to a logic of loan approval. In the process the Bank intervened as a conveyor of funds and knowledge that focused principally on negotiation with the government, disregarding and dis-empowering other local actors that had previously worked on reform proposals.

TAKING A DIFFERENT STANCE: THE NATIONAL PLAN AND THE WORLD BANK'S MODEL COURT

Several reform proposals, both home-based and externally supported projects home-based, for the reform of the judicial system and the enhancement of the rule of law were discussed and elaborated during Menem's administration. As discussed earlier, at the national level, longstanding research was articulated by local experts in the sector from the late 1970s. But it was not until 1998 that a National Plan of Judicial Reform (*Plan Nacional de Reforma Judicial*) was sketched out, based on three main sources: (i) findings provided by national business-oriented think-tanks, such as FIEL and IDEA; (ii) the work of the legal think-tanks like FORES; (iii) contributions by local experts working in the Ministry of Justice. A first sector analysis report, done by the World Bank's Legal Vice Presidency Unit in 1993, was also considered as background analysis for the design of the National Plan (Lynch 2003: interview; Chayer 2003: interview). The National Plan addressed issues of judicial efficiency and management as well as access to justice. The main goal of the National Plan of Judicial Reform was 'to establish the theoretical framework for the implementation of a reform according to national priorities' (Garavano 2003: interview).

The National Plan was a comprehensive plan to reform the system of justice. Specific attention was given to redesigning the administrative and human resources areas, introducing computerised systems, revamping the Judicial Office and redesigning the division of labour and flow of work, as well as the training of personnel (Plan Nacional de Reforma Judicial 1998; www.reformajudicial.jus.gov.ar/materiales/plannac.htm. 8 December 2004). From this perspective, the National Plan of Judicial Reform targeted some politically sensitive issues such as access to justice, transparency and modernisation in the management of provincial courts. Special attention was given to the work of social and family courts, and to judicial reform at the sub-national and provincial levels. In addition it proposed the creation of a Centre of Judicial Policy and Management Supervision (Plan Nacional de Reforma Judicial 1998: Chapter Two).

The National Plan was elaborated by experts within a group of legal and business-oriented think-tanks and consultants that have moved across from private to public practice, some of them being recruited as civil servants within the Ministry of Justice (Chapter Four, Part Three). It presented to the national government by the Ministry of Justice, under the direction of its Minister Ricardo Gil Lavedra, in October 1998. The Ministry of Justice was the organ in charge of proposing and receiving proposals to advance the judicial reform. Although the National Plan was approved by Menem's administration, the programme faced two institutional constraints that inhibited its further implementation (Garavano 2003: interview; Chayer 2003: interview). On the one hand, although the Ministry of Justice had the power to present bills and policy initiatives to Parliament and the Executive, it had no power of implementation and enforcement. On the other hand, the lack of funding from the national government to support its implementation was consistent with the lack of will to support and move forward a process that could change the *status quo* in the judiciary. This situation created disincentives and competing objectives among local experts and the policy actors at the core of the decision process (Palma 2003: interview).

While this situation discouraged linkages between local experts and policy-makers to work on common ground, the involvement and influence of the World Bank in judicial reform did not help to close the gap between the local experts' proposals and political tensions in the sector. From the start, the involvement of the World Bank was determined by a situation in which the main actors at the centre of the decision-making process, the judges of the Supreme Court, were reluctant to undertake reforms that would change governance aspects of the judiciary, and by an Executive that did not wish to discomfort an institutional branch so necessary for the advancement of political purposes.

In advancing judicial reform World Bank staff faced two main tensions. One tension related to bridging the gap between World Bank codified policies and ideas as best practices and the proposals put forward by local actors and experts in the country. The second was how to engage in governance issues without contradicting the apolitical mandate of the Bank. In this context, the staff from the Bank's Legal Department faced the dichotomy of either securing the adoption of loans by the government, overlooking local-based knowledge, or the implementation of policies by capitalising on local expertise and strengthening the capacity of local actors to implement those policies.

The political stance implicit in a reform programme supported by local actors, however, made World Bank support to local proposals uneasy since these conflicted with government incentives in the sector. In this case, the highly political nature of local knowledge conflicted with the Bank's apolitical, technical understanding of reforms, and therefore with its definition and priorities in relation to governance. Patterns of involvement of the World Bank units in the promotion of governance-related norms indicate that within the Bank both new practices and knowledge management are still areas of disagreement and conflict.

The political incentives of the government and the judiciary and the policy paradigm of the World Bank's Legal Department, however, were not conflicting. In effect the

Bank's Legal unit promoted a reform that targeted managerial issues of court management rather than politically sensitive goals of access and decision-making process. Thus, the staff of the Legal Department tended to be more reluctant to engage with local experts for the definition of reform priorities and its implementation plan. This pattern was evident despite initial collaboration in diagnostic work with local actors. In fact, the first steps of World Bank involvement in the policy areas of judicial reform and anti-corruption were part of the sector assessment undertaken between 1993 and 1995 as per official request from the Ministry of Justice to the World Bank to finance a comprehensive diagnostic study of the problems affecting delivery of justice in Argentina. The World Bank's *Judicial Sector Study* was carried out by Maria Dakolias, the subsequent Task Manager of the Bank's judicial reform programme for Argentina–PROJUM. The team that conducted the report was composed of Argentine lawyers selected by the Ministry of Justice and international experts who had participated in other judicial reform experiences supported by the World Bank in the region. The problems of the judiciary were identified as lack of independence, delays in trials and sentences, and widespread corruption. Court officers, including judges, personnel, and government officials were perceived to be at the root of the problem and the main obstacle to change (World Bank 1998b: 3). These problems were later discussed in a seminar, in 1995, with different actors from the Argentine social and political spectrum (World Bank 2001e: ix-xi). Despite the highly political issues raised by the *Judicial Sector Study*, the World Bank's Legal Department progressively tamed its support toward technical, managerial aspects related to market efficiency in justice delivery (Buscaglia and Dakolias 1996).

A subsequent World Bank publication, the 1996's *Judicial Reform in Latin American Courts: The Experience in Argentina and Ecuador*, addressed some of the main obstacles facing the establishment of a well-functioning judiciary in Argentina and the prospects for reform. In tune with the World Bank's apolitical stance, the main factors affecting the judiciary were related to inefficiency in court management, process delays, resources allocation and institutional inertia. Relating these factors to Court administration, the report associated the weak judicial system in the country to: (i) the loss in property-right value due to the lack of predictable enforcement of the rules; (ii) the added transaction costs of contracting in an environment with dysfunctional third party adjudication and corruption; (iii) the value of the economic opportunities foregone due to the high risk involved or the lack of access to the courts (Buscaglia and Dakolias 1996). This technical reading left aside issues of politicisation of the system and other priorities identified by local experts (Garavano 2003: interview).

In 1998 the World Bank approved its first lending programme in the sector. The Model Court Development Project/ PROJUM (PID 50713) entailed a US$5 million Learning and Innovation Loan aimed at identifying, establishing and evaluating conditions which would support the realisation of judicial administrative reform and eventually form part of an overall legal reform programme to be replicated in other cases (World Bank 1998b). The Model Court Project was launched as a pilot project for specific Federal Courts and its results were intended to be replicable in other courts. The Bank Team Leader for PROJUM was Maria Dakolias, Lead Counsel at the World Bank's Legal Department, based in Washington.

The design of World Bank's PROJUM was based on three main components. The first component was 'court management', aimed at developing activities between the different levels of the judiciary (Supreme Court, courts of appeal and trial judges) to enhance the efficiency of judicial administration and to reduce case backlog. A new case management system and a new record management system were identified for implementation. The reorganisation of the judicial administration included activities coordinated by the Supreme Court, and the individual judges involved in the project. According to the project document, 'judges spend much of their time on administrative matters, thus curtailing their ability to concentrate on substantive judicial matters' (World Bank 1998b: 5-6). Thus, PROJUM attempted to 'utilize the existing personnel in the most efficient manner' (*ibid.*: 6). The programme also considered reducing delays by incorporating a new computer system to enable the courts to develop more efficient case management, distribution among judges and records management. Particularly important was the efficient use of these practices in tracing tax-related cases (*ibid.*: 6-7). A second component included the development of a training and education policy for the judiciary. Training of judges and other court personnel in the areas which are most relevant to implementing successful model courts were expected to enhance personnel skills in new case management techniques, developing an understanding of leadership, delegation, and management of change (*ibid.*: Annex 2). The third component was oriented toward evaluation and the dissemination of best practices through, for instance, seminars and workshops in order to reach the goal of replication of project results in other Argentine courts. It is important to highlight that the project was negotiated and managed by the team leader Maria Dakolias, from the Bank's Legal Department in Washington D.C. The World Bank Country Office in Buenos Aires only had a marginal role related to the provision of technical support for the evaluation of project results once they were approved by the government and the Board of the Bank (Gonzalez 2003: interview). The Country Office, in this case, hosted the task manager when in mission in the country, and provided country and sector specialists that, together with the Office Director [Myrna Alexander, succeeded by van Trotsenburg since August 2002] evaluated project outcomes and monitored contracts and bidding procedures (Budkin, personal communication, 12 April 2005).

According to Virginia Simari, former Executive Director of PROJUM in Argentina, 'financially PROJUM has not represented a big project within the whole portfolio of the World Bank for the country but its prospects in terms of further replication made PROJUM a relevant case for the Bank's managers' (Simari 2003: interview; see Chapter Four: Table 1). In effect, PROJUM was designed as a pilot reform project for 5 Federal Courts in Argentina for further replication in another 12 Federal First Instance Courts throughout the country. The selected Courts were Federal Courts located in the Province of Buenos Aires and Chaco dealing with civil, commercial and labour cases and new Social Security Courts in Buenos Aires dealing with tax and social security cases (World

Bank 1998b: 5). According to its current Executive Director, Moises Litchmajer, PROJUM was expected to be used as a 'demonstration effect' to further replicate a *'model of court'* in other places (Litchmajer 2003: interview). Judicial reform in Argentina was intended, in longer term, to reinforce a model for further replication in other countries of the region (World Bank 1998b; 2001b; 2001e)

The Bank management, led by Dakolias, defined the project's implementation period as three years, effective from May 1998 to November 2001. Despite the closing date, the project is currently ongoing as it has not reached expected results, nor used the amount allocated for its implementation (Giarone 2003: interview). Moreover, legal publications claimed that at the end of 2002 only a little over US$ 1 million of the 5 million total of the loan had been used, and most of that was to pay for diagnostic work (Diario Judicial 2002; Giarone 2003).

There were two problems in its implementation that were related to a 'top-down' way of policy formulation, negotiation and management (Bohmer 2004). On the one hand, in the project's design and negotiation the Bank staff reproduced patterns associated with a deeply embedded culture of loan approval and secrecy, which restricted the scope of participants in the policy process (Tussie and Tuozzo 2001: 111). As a consequence, PROJUM's technical approach was highly criticised by local experts for not having taken adequate account of local insights and existing proposals for reform (Chayer 2003: interview). Even the 1998 National Plan of Judicial Reform, the domestically-led proposal from the Ministry of Justice, was ignored by the World Bank (Garavano 2003: interview). Paradoxically, in 1998, the World Bank presented and negotiated closely with the Executive the reform programme framed in PROJUM, the same year in which local experts presented the National Plan to the Executive, and the same year in which a Bank-sponsored programme, the Judicial System Reform Programme (BIRF N° 55479), was suspended after not reaching consensus on priorities and content of the programme among local experts from the Ministry of Justice and the managers of the Bank

(Otamendi 2003: interview; Palma 2003: interview; Brenna 2003: interview; La Nación 2003, Política: 10).

Likewise, management aspects of the implementation of the PROJUM were also much criticised by those actors involved in the National Plan. The National Plan proposed that the executing agency of the project be located in an independent commission, comprising members designated by the Judicial Council and the Supreme Court, to carry out functions in coordination with an Advisory Committee (Plan Nacional de Reforma Judicial 1998: 121). Despite this proposal, aimed at preventing further politicisation in the implementation of judicial reform, the PROJUM's Executing Unit was established under the wing of the Executive branch, since its role as overseer was established in a coordinating commission which included representatives from the Supreme Court, the Ministry of Justice and the Chief of the Cabinet Office within the Executive branch (World Bank 1998b: 8).

In addition to the rigidities and strict technical approach of the World Bank's PROJUM, that the management of the project's implementation was left in the hands of the Executive was an issue that local experts, in particular those involved in the formulation of the National Plan, found controversial and biased (Graña 2003: interview). It was considered that by granting the management of the reform to a Project Executing Unit led by the Supreme Court and the Executive, the World Bank enhanced their power over the local actors involved in other reform proposals (Chayer 2003: interview; Brenna 2003: interview). The strong presence of the Executive in the management of the reform programme subsumed the judicial reform process into its political agenda (*ibid.*). Moreover, the lack of participation by lower courts judges and magistrates during the stages of design and negotiation of PROJUM meant that the courts selected for this initiative were unfamiliar with the objectives and approach proposed by the World Bank. This was even more critical as there was no previous experience managing external funding for reform in the sector (Simari 2003: interview).

In March 2000 the project's loan agreement was amended 'to reflect the creation of the Judicial Council, and to shift the project implementation responsibilities to this new body' (van Trotsenburg 2003). Again, the decision to move the project to the Judicial Council was made by the PROJUM's managers regardless of proposals from local experts (Palma 2003: interview; Simari 2003: interview). According to Lynch, director of a national law consultancy:

> The capacity of the Bank to allocate funding toward reforms, either via loans or via technical assistance and training, has been a critical element enhancing the influence of the World Bank policy ideas in the reform process. Furthermore, this capacity of funding its policy paradigms and ideas has *sterilised* local efforts. (Lynch 2003: interview, my emphasis)

By virtue of its development knowledge and experience, and consistent with the 'Knowledge Bank' concept, the Legal Department, in this case, acted as provider of guidance in terms of what constitutes best practices and good development policies to implement sound institutions and thus enhanced the investment climate (see Gilbert and Vines 2000). From this perspective, World Bank knowledge constitutes a public good that links best practices with development outcomes according to the exigencies of the international market economy. However, rather than acting as a neutral supplier of expert knowledge that can be debated with local experts and policy actors, and articulated into a consensual policy reform programme, in the case of judicial reform in Argentina, Bank staff empowered actors from the Executive and the Supreme Court who carry through a project that resembled a technical judicial reform, failing to take the political factors strongly supported by local experts into account.

Despite the corporate changes operated within the World Bank toward the development of a 'Knowledge Bank' and the high-profile declarations of the importance of local knowledge and experience, the logic of World Bank's Legal Department involvement in judicial reform on the ground has revealed two fundamental contradictions. First, 'the simultaneous need for the policies adopted to fit within the strategic framework espoused by the Bank, and be freely chosen and owned by client governments' (Cammack 2004: 207). Second, the fact that:

> Projects are commodities that are sold to clients. These products are not sold out because of the ideas and contents they impart but rather because they bring in financial resources. This situation gives task managers the advantage of being able to influence the design and implementation of loan conditions regardless of local proposals. (Garavano 2003: interview)

Ultimately the case of judicial reform in Argentina presented a tension between global knowledge and local expertise, or more precisely between World Bank codified knowledge and local knowledge. One manifestation of this tension was that 'those links between research and policy at the initial stages of diagnostic and background work vanished as the process of negotiation and implementation of judicial reform advanced' (Chayer 2003: interview).

The result was the approval of an apolitical reform that ignored critical and politically controversial aspects relating to the politisation of the system, such as the selection process of Court judges, transparency and accountability of the Courts and access to justice; all aspects that were strongly supported by civic organisations and local experts. In this context, some local actors claimed that the World Bank aimed at the implementation of a 'standardised model' that followed the economicist paradigm of institutional reform it had promoted in other countries. This paradigm reinforces managerial issues to enable market efficiency and investor-friendly institutions rather than solving structural, more overtly political, problems such as access to the judicial system by the poor or the deeper institutional problems of transparency and accountability (Abramovich 2003: interview; Saba 2003: interview; Santos 2003: interview).

In practice, the negotiation and agreement of the World Bank's PROJUM between the Legal Department and the Argentine government strengthened the concentration of power in the Executive, which set the path and depth of the reform. Moreover, since local knowledge was considered to be highly political, the Bank's Legal Department commitment to *building institutions for markets* overlooked the political and democratic implications of such a reform. As some critics pointed out:

> the Bank's interest in governance issues and it's apolitical conception of the state allowed the Bank to promote market-orientated reforms without necessarily challenging established elites whose position and power might be threatened by more serious calls for political reform. (Berger and Beeson 1998: 497)

From this perspective, contesting ideas supported by local experts were considered highly political and thus Bank task managers were more inclined to act without highly politicised local experts and expertise in the design and implementation of the reform programme. The 'depoliticised' approach to judicial reform pursued by the Legal Department provided the government with a less controversial ally, giving at the same time encouraging signs to the misgivings of private investors worried about the deterioration of the rule of law and the predictability of the investment climate. Yet, judicial reform in Argentina did less to change the *status quo* and the structure of incentives underpinning the interference by the Executive in judicial norms and procedures. The result was, in turn, additional public debt, public discontent, protests and a negative evaluation within the Bank that led to the cancellation of a project which approval within the Bank was subject to the results of PROJUM (World Bank 2000c: 40; Dakolias 2004: interview).

KNOWLEDGE TRANSFER VERSUS KNOWLEDGE IMPLEMENTATION

In the case of judicial reform in Argentina, despite the involvement of local experts in initial stages of sector assessment undertaken by the Bank's Legal Department during 1993 and 1995, linkages with local actors were adversely affected by disagreement on priorities and approach. Although there was some agreement on the sector diagnoses, the possible routes of action for the implementation process proved to be far more difficult to agree (Tuozzo 2004: 190). In the progress of judicial reform in Argentina the Bank's management was not effective in bridging the gap between the knowledge that is codified within the Bank as 'best practices' and the knowledge that is articulated and conveyed by local actors and experts in the country.

The World Bank's PROJUM contemplated some political issues demanded by the local experts, however the core of its work focused on technical, apolitical issues of court management and efficient administration. In other words, although PROJUM introduced a number of concerns raised by local actors, it drove the reform without addressing fundamental issues related to the contentious politics affecting the judiciary. Moreover, the core content of the loan programme and its management were determined by the Bank's manager and the Executive branch with inputs from the Supreme Court. For instance, the courts to be reformed were not those suggested by national experts but rather those prioritised by the task manager and the Bank team. In this context, family courts were ruled out and instead labour and commercial courts were considered for PROJUM (Alvarez 2003: interview). Also the scope was defined at the federal instead of the provincial level where major indexes of corruption, lack of transparency, political interference and weak accountability, had been detected (Garavano 2003: interview; also La Nación 2005, Política: 1).

In a context in which the Executive and the Supreme Court lack incentives to reform, the Bank has competitive advantages to advance its 'neutral' policy paradigms. First, because projects are tied to money but more importantly because in the World Bank's apolitical stance the Argentine government found a less controversial programme than in the local proposals. From this perspective, Bank practices discouraged linkages with research groups, other sets of ideas and proposals. Furthermore, the depoliticised judicial reform advocated by the Bank enhanced the government's agenda, and empowered the Executive while dis-empowering local experts and civil society organisations that endorsed contesting programmes of policy change in the sector.

In this case, Bank staff approached judicial reform as a process of *transfer* of blueprints and 'best practices' based on World Bank experience and paradigms via funded projects. Policy change, therefore, was looked for as a consequence of persuading the government rather than local experts to pursue the reform. Thus, the World Bank's Legal Department played an important role in the disseminating knowledge, but the transfer of knowledge was based on 'best practices' and codified knowledge that overlooked the existing local expertise and their proposals (Garavano 2003: interview; Otamendi 2003: interview; Lynch 2003: interview; Chayer 2003: interview). According to Franche, an official involved in the UNDP's Democratic Dialogue Programme for Latin America, the absence of tradition of Bank staff in working on judicial reform programmes created a tendency to draw up blueprints based on 'what works rather than on contextual characteristics and local knowledge' (Franche 2003: interview). Moreover, models and assumptions developed and codified within the Bank are sometimes unsuitable in local realities (Mason 2003: interview; also Ellerman 2002: 287).

The transfer of knowledge and even the commitment of the government agencies involved in the negotiation of the PROJUM with the Bank proved insufficient to ensure success in the implementation of policies. In other words, judicial reform is a highly political process and as such cannot simply be reduced to a 'supply-side' activity designed according to preconceived definitions of what worked and what didn't in other countries in the region.

The materialisation of knowledge into policies is a process that goes beyond the capacity of the Bank to frame the problem. As acknowledged by a task manager of the World Bank, undertaking politically sensitive reforms, in which vested interests and opposing visions challenge the path and depth of reform processes, 'needs champions or pro-reform actors that reproduce locally the policy advice of the World Bank' (Myers 2004: interview).

From the perspective of the World Bank's intervention, there were two factors that affected the engagement of World Bank managers with local experts on the ground. The first one is related to the discretionary capacity of the Bank's task managers in the use of local expertise. The decision to engage in efforts to coordinate local knowledge and policy is reserved to Bank officials. Furthermore, notwithstanding the adoption of new participatory policies by the Bank since the mid-1990s (World Bank 1996a, Nelson 2000), these were not translated into binding operational directives. Second, and related, despite corporate efforts to establish a 'Knowledge Bank', sharing knowledge within and outside is not a criterion for task managers' promotion or internal evaluation. As stated by Bebbington, despite the development of a new corporate profile within the Bank, innovation and adaptation is highly uneven across the Bank, and staff predisposition to engage in new practices depends on the theoretical and practical inclinations of directors and managers. Politically contentious notions of reform as well as innovative practices involving participation and institutionalisation of local knowledge are linked to the personal background and orientation of task managers and the country team as well as to the political-economic context of the country in question (Bebbington *et al.*2004).

One of the major constraints that the World Bank faced in the aftermath of the CDF and the Strategic Compact is the fact that country managers are not evaluated by the extent to which or ways that they produce or use internal research outcomes, findings and lessons from experience. Nor are they evaluated by the extent to which they maximise local knowledge within the project cycle. Rather there still remains the 'culture of approval' by which Bank staff are rewarded according to their performance based mainly on loan disbursement (Gray D. 2004: interview). In the case of judicial reform the World Bank's financial resources and the promise of continuity of funds advanced the reform process, subsuming knowledge into a top-down model of intervention. Thus, while some 'local knowledge producers' perceived externally-driven reform programmes as narrow and limited, policy-makers, in particular the Executive and the Court judges, found it easier to follow World Bank recommendations and its targeted managerial goals rather than politically sensitive aspects of reforms (Novoa and Giarone 2001). An additional contextual factor that affected the research and policy nexus during the 1990s was related to tensions between local perceptions and contracted experts. Some interviewees have claimed that in contracting sources of knowledge and policy advice, the World Bank team working on judicial reform mostly contracted its own external consultants (Chayer 2003: interview). World Bank guidelines supporting the selection of consultants promote collaboration with local experts, but leave the terms of reference for the selection to the government of the borrowing country, whose decision is eventually backed by a Bank review confirming its 'non-objection' (World Bank 1997d; Panzardi 2004: interview). This is more the case as the approach and conclusion of contracted consultants generally converge with that of the Bank staff (Chayer 2003: interview; De Michele 2003: interview).

One manifestation of this dynamic was that while initial collaboration between local knowledge producers and the World Bank mission provided background analysis and sector diagnosis prior to project design and negotiation, the final core of the loan content disregarded the insights of local experts. Another manifestation related to the technical, de-contextualised approach to reform as 'external consultants contracted by the World Bank are not committed to long-term reforms or to assess local needs and solutions' (Palma 2003: interview). As observed by a local World Bank consultant:

> The World Bank brings its ideas and blueprints on what constitutes good policies and wants to carry them out. These ideas are introduced in a country [...] and when there are no public policy initiatives, the ideas of the World Bank percolate. Those civil society organisations committed to the study of the judicial system have had no reception from those at the core of the decision making process. (Gregorio 2003: interview)

The tendency to replicate 'best practices' based on reform experience in other countries has not only been criticised by local actors, but also questioned by other task managers who claimed that 'while that approach may enhance efficiency issues, it does not foster a culture of transformation of incentives on the ground' (Hammergren 2004: interview). In other words, the transfer of codified knowledge from one place to another was attempted as an a-critical, apolitical, a-contextual input. The net result was that

World Bank task leaders worked in a framework that encountered resistance from local actors with equally intense interests in advancing an alternative political agenda in the sector.

The tension between national experts and the World Bank reflected another tension faced by Bank staff, namely, how to engage in politically sensitive reforms without contradicting the apolitical mandate of the Bank. The apolitical mandate that prevents the Bank from interfering in the domestic politics of borrowing countries has led some task manages to 'seek to reduce risk in loan approval' (Hägerström 2002: interview) and with it to promote consensus among policy-makers rather than broader exchanges with local experts that convey contesting 'political' proposals. In this case, rather than acting as a 'broker' aimed at articulating the normative agenda of the World Bank with country-based knowledge conveyed by local experts for the design, negotiation and implementation of policies, the Bank staff approached reform as a process of 'transfer' of policy paradigms. Knowingly or not, the approach to judicial reform in the case of Argentina shows that the Legal Department's intervention in judicial reform did little to compromise or coordinate codified and local knowledge(s) and that 'was relatively unsuccessful at creating the consensus needed to further the implementation of the reform' (Messick 2004: interview). The Bank not only 'helped indirectly to expand distrust and fragmentation within the sector' but was itself 'caught up in a domestic conflict' in which particularistic tendencies and corporate interest in keeping the *status quo* intact was reinforced (Tuozzo 2004: 115).

Despite the approval of the PROJUM, reforming an established institutional setting like the judiciary proved difficult to achieve. Admittedly, efforts under the Model Court have not produced concrete results and the US$ 10 million project *Reform of Justice*, that was in preparation and awaiting an approval date, based on the results of PROJUM, was in consequence cancelled (World Bank 2000c: 40; Dakolias 2004: interview). As claimed by Tuozzo:

> Beyond the specific problems this particular project suffers (problematic design and implementation and thus very little to produce transferable results), the PROJUM has done very little to advance the rule of law in Argentina in a way that is meaningful to democracy and citizens. The focus on the reform was centred on court administration and efficiency, rather than the transformation of a highly politicised administration of justice. Administrative and efficiency aspects of the judiciary are part of the problem, but do not address its core. (Tuozzo 2004: 112)

According to a Bank official, 'six years after the Argentine project was approved it remains stalled thanks to infighting among the political parties'. Particularly relevant in this context was opposition from experts from influential think-tanks and from the Ministry of Justice that was pressing ahead to advance its National Plan (Messick 2004). A World Bank expert involved in anti-corruption programmes in Argentina linked the limitations in the implementation of judicial reform in Argentina to its structure of incentives. According to her:

> misdirection of efforts are also likely when the logical national leaders – the Supreme Court, a judicial council, a Ministry, the political elites, or a especially created 'project implementing unit' – are a part of the problem, either because they themselves benefited from the existing situation, began with or developed a different agenda for the changes, or simply lacked the motivation, skills, or power to make it work. (Hammergren 1998a)

To have an impact on policy-making at the country level, knowledge requires local champions within the domestic arena to boost the creation and transfer of knowledge and policy ideas at the local level, broadening the understanding, acceptance and legitimacy of World Bank policy advice. But as shown in Argentina, the Bank leaders 'mainly focused on providing funds rather than changing local realities pondering existing local knowledge, ideas and proposals' (Brenna 2003: interview). As others have also noted, World Bank practices and knowledge become contending terrains or battlefields where non-Bank actors hold other ideas and knowledge-based policy proposals (Bebbington *et al.* 2004: 38). In the case of judicial reform in Argentina, this situation inhibited the implementation of the PROJUM, despite negotiation between the government and the World Bank's Legal Department. The 1998 Model Court Project/ PROJUM in Argentina did not even lead to the expected changes related to the development of new methods and procedures for managing courts and case flow. With the cancellation of the project *Reform of Justice*, the World Bank progressively lost legitimacy and influence in the process of judicial reform.

By the end of 2001, Argentina had undergone a major economic and political crisis that had critical consequences for the national institutional setting (Peruzzotti 2001). This comprehensive crisis not only led the presidency of De la Rúa, who followed Menem in office in 1999, to resign, but also opened a window of opportunity for a more pro-active incursion by local experts and their expertise into the policy process. Questions of legitimacy in the judiciary were at the top of the civic agenda and with them the legitimacy of the World Bank-supported reform project, PROJUM. PROJUM was increasingly criticised for not having addressed the problems of political interference and lack of transparency in the Court system. For the first time World Bank's action in judicial reform was publicly rejected as PROJUM was targeted by some groups that, in a public demonstration, distributed pamphlets with the slogan 'PROJUM is Corruption' (anonymous official from the Ministry of Justice A: interview).

The economic setback of 2001 evolved into a broader institutional crisis that led to massive street demonstrations by citizens questioning the legitimacy of existing representative institutions (Peruzzotti 2001). This crisis, in effect, confirmed the need for new institutional and societal arrangements. This was clearly evidenced in the popular slogan seen in successive public demonstrations 'Out with all of them' (*Que se vayan todos*) alluding to parliamentary and judicial representatives (Clarín 2001: Política). These popular demands were powerful enough to force the resignation of first the Minister of Economics, Domingo Cavallo, and then of the President Fernando De la Rúa on 17 December 2001.

The post-crisis context represented a chance for alternative and hitherto overlooked proposals for reforms supported by local actors to have an impact on policy-making. Public discredit of politicians and institutions, in particular in the area of justice, claimed these alternative solutions could solve the problem of rampant corruption that effected state institutions. Before the crisis local consultants, practitioners, NGOs and think-tanks were less influential largely because their approach was in conflict with that held by the World Bank and the government, after the crisis they were increasingly recognised by officials of the new government. In effect, in this critical context institutional reform became a priority. However, policy-makers and even the World Bank's support for the sector were seen as politically inadequate to conduct extensive reforms. The post-crisis government of Nestor Kirchner, who was appointed in May 2002 (to date) after four failed attempts by presidents who resigned in the space of one week, was aimed at restoring political legitimacy and public confidence in national institutions (Clarín 2002: Política).

The critical economic, institutional and political situation demanded not only political-economic readjustments, but more importantly a new way of policy-making based on the institutionalisation of a social consensus and a legitimacy for revising the priorities for, among other areas, judicial reform. Thus, the crisis opened up new spaces for consensual initiatives to compensate for traditional bottom-up models of policy decision-making to achieve government's political agenda. Moreover, the crisis repositioned local experts and civil society organisations *vis-à-vis* the search for new policy solutions (Saba 2003: interview). In search of new policy alternatives and a broader consensus the post-crisis administration of Nestor Kirchner and his Minister of Justice solicited support from legal experts within this community to design specific policies to change the political structure of the judicial system. This was a turning point as it opened up a new chapter in the (local) knowledge/policy nexus in relation to judicial reform. In effect, the institutional abyss created with the collapse of De la Rúa's administration at the end of 2001 heightened public awareness and political sensibility toward the issue of institutional reform.

The acceptance of local actors as a consequence of the crisis also led to new approaches to consensus-building and networking activities that gathered together these local actors who had been neglected during the years of Menem administration and World Bank intervention on judicial reform. In this context, senior policy-makers and government officials, NGOs and representatives of labour unions launched the *Mesa de Diálogo Argentino* (Argentine Dialogue Roundtable), a nation-wide consensus-building initiative aimed at advancing necessary economic and institutional reforms. Since its launch in January 2001, *Mesa de Diálogo* holds regular meetings with 75 agencies and organisations from different economic, political and social sectors. This initiative has been supported by the government of Nestor Kirchner, the Argentine Catholic Church and UNDP (www.reformajudicial.jus.gov.ar/actividades/dialogo/dialogo_argentino.htm. 27 October 2004).

In the case of justice system, the Discussion Panel on the Reform of the Judiciary was formed by a group within *Mesa de Diálogo*, which gathered representatives of different sectors and entities linked to the judiciary. The Discussion Panel on the Reform of the Judiciary has held regular meetings in which different NGOs, think tanks and government representatives to discuss pro-reform initiatives for the reconstruction of the legitimacy of the judiciary in general, and the Court system in particular (Brenna 2003: interview). The initiative was implemented by the Ministry of Justice and the *Mesa de Diálogo* met for the first time in March 2002 in the Ministry of Justice headquarters (http://www.reformajudicial.jus.gov.ar/materiales/docs.htm. 20 December 2004). Not only has the World Bank task manager, Maria Dakolias, not participated, but also the funds to carry out this initiative were provided by UNDP. According to Dakolias, 'political circumstances and conflicting views about the reform excluded the Bank from the dialogue' – an argument also sustained by Lichtmajer, Executive Director of PROJUM (Dakolias 2004: interview; Lichtmajer 2003: interview). According to Brenna, president of ARGENJUS, the consortium of NGOs that coordinates *Mesa de Diálogo*, however, 'while rigidity inhibited further discussions and the participation of Dakolias' team, other World Bank representatives, such as Linn Hammergren [task manager for anti-corruption programmes in Argentina] were invited and attended discussions of *Mesa de Diálogo*' (Brenna 2003: interview).

In general terms, the lack of recognition of the importance of social contestation in policy struggles and the absence of networking efforts to close the gap between the World Bank's 'best practices' and proposals based on local knowledge challenged the power of the Bank's Legal Department to implement its paradigm regarding judicial reform. Furthermore, the role of the Bank was discredited as its programme lost legitimacy, influence and position in the sector.

PROJUM was strongly questioned within the discussions of the *Mesa de Diálogo* and its continuation made conditional on a re-evaluation of outcomes and the goals for implementation within a broader programme designed and conducted by local experts (Garavano 2003: interview; Giarone 2003: interview). In consequence, PROJUM's continuation, according to the discussions within the *Mesa de Diálogo* and the Judicial Council, is conditional on a renegotiation of the terms of implementation, subsumed within a new nationally-based judicial reform programme, the Integral Program of Judicial Reform (Programa Integral de Reforma Judicial, PREJUD), drafted within the Ministry of Justice in July 2000 (www.reformajudicial.jus.gov.ar. 9 December 2004).

In addition, another nationally-based project discussed in the context of the *Mesa de Diálogo* and taken up by the administration of President Kirchner was based on policy analysis articulated by experts and practitioners from other think-tanks and NGOs. These evolved from traditional 'watchdog' activities and public campaigns related to human rights (mainly in the 1980s and the early 1990s) into groundbreaking action-oriented activities and policy-oriented research and proposals for the reform of institutional arrangements and procedures in the judicial system (see Chapter Four for a description of these civic groups, and Chapter Six for their role in anti-corruption). Among these NGOs, Poder Ciudadano has been paradigmatic. Some experts from these NGOs, such as Roberto Saba, Daniel Sabsay and Roberto de Michele, formed part of group that collaborated with staff of the Bank's Legal Department in preliminary sector studies and background analysis of the judicial system conducted before the PROJUM negotiations with the government. But in fact most of the work of these organisations was concentrated on training and capacity building for anti-corruption policies in collaboration with the PREM and the WBI. In the case of judicial reform, these civil society organisations contributed an important report, *A Court for Democracy* (Una Corte para la Democracia) that proposed measures for a change in the selection process and the removal of judges of the Supreme Court, a reduction in the jurisdiction of the Supreme Court, and other procedures leading to transparency and accountability (Saba 2003: interview; report available at www.adc.org.ar. 18 February 2004). These proposals, in effect, addressed the longstanding conflict overlooked by the Bank's reform that led to the questioning of PROJUM's legitimacy. This document was the basis for the Kirchner's government to change policies regarding Court selection processes and to revise the number of judges of the Supreme Court (Abramovich, personal communication, June 18 2004).

Knowledge(s), Policy and the Absence of Pro-Reform Networks

The former Chief Economist of the World Bank, Joseph Stiglitz, stated that the Knowledge Bank 'is in a good position to *scan globally* to identify good practices, and then it can play a brokerage role to facilitate a horizontal learning process between the developing countries facing certain problems and the countries with successful practice' (Stiglitz 2000: 12, emphasis in original). A corollary of this argument suggests that the (Knowledge) Bank can 'reinvent locally' if it acts as what in the public policy literature was defined as an 'intermediary' transferring *knowledge* about policies, administrative arrangements or institutions to be used in the development of policies, administrative arrangements and institutions elsewhere (Dolowitz and Marsh 1996: 344; also chapter Two, Part Three, for a review of transfer literature). Yet it has been argued in this thesis that whatever the leverage of the Bank, both financial and in terms of knowledge and policy paradigms, and despite its leverage, the Bank is unable to implement its own programmes. Knowledge-creation and diffusion of what constitutes good policies is not a guarantee of policy change on the ground. In other words, World Bank knowledge and policy paradigms are not 'commodities' that can simply be codified and transferred from knowledge-producers to knowledge-users on the assumption that local actors are passive factors in the knowledge-policy process. On the contrary, local experts and practitioners can take, modify or reject a paradigm or policy idea. In this context, 'crafting consensus' with pro-reform local actors is critical to assure that certain policy ideas are reproduced and reinforced on the ground (Taylor 2004: 124). This is particularly so in countries like Argentina, where a strong basis of local actors in the sector is critical, especially in the case of Argentina's judicial system, where local experts had articulated reform proposals before the Bank mission introduced its own proposal to the government (Lynch 2003: interview).

The fact that the World Bank articulated reform proposals based on its own 'in-house' research production and on consultants with experience in judicial reform in other countries, and that it also had the money to support it, led government officials to ignore other sources of reform proposals and research, even those that came from within the bureaucratic team in the Ministry of Justice. Furthermore, the World Bank itself did not incorporate the input of those with more in-depth knowledge of local institutions even though the Bank facilitated joint research production with local actors during initial stages of background analysis and diagnostic work. Ultimately, the ability of the World Bank to shape the reform programme before the 2001 crisis was reflected in two ways: its capacity to frame meanings of what constitutes 'good policies' and 'sound institutions' for economic development on the one hand; and its ability to create a demand for that knowledge by offering funds to apply it at country level on the other. The result was a project for judicial reform that did not reflect local experts' approaches, but rather some pre-conceived policy ideas promoted by the Bank that suited the apolitical agenda of the Executive and the Court.

As was argued in Chapter Two, the capacity of the World Bank to produce and diffuse knowledge on what constitutes good economic policy, in this case good governance, is a critical factor within the structure of power and global scope of the World Bank, since it enhances the capacity of the Bank to frame issues and outline solutions. However, the case of judicial reform showed that despite its power of affecting the way people perceive and think of economic development, production and diffusion of knowledge are not sufficient elements in themselves to ensure policy change. The implementation of policy and institutional reforms are context-dependent processes and thus highly political. Actors, political incentives and resources are critical factors in shaping the path and depth of their implementation. Notwithstanding the consensus for sustained implementation, the PROJUM attempt failed as the Bank was not able to broker deals with local actors for the effective implementation of the reform, in particular with those local experts within the Ministry of Justice, and lawyers and judges from the courts selected to be reformed, that are the implementers of policies. In other words, while the World Bank produced and diffused knowledge on what constitutes good economic policy (judicial reform as part of 'good governance'), its legitimacy was limited and its intervention paradigm then questioned by local experts. Production and diffusion of knowledge were not sufficient to enhance the capacity of the Bank to create institutional bases for further implementation.

Development assistance resembled a process in which knowledge (in the form of codified best practices mainly based on the experience in other countries, including Venezuela, Bolivia, Ecuador and the Russian Federation) was taken as a commodity to be 'transferred' from the donor agency to a country. In this case, loan approval prevailed as a rationale that fixed upon securing agreement with key policy-makers rather than on reaching agreement with local experts for its implementation on the ground. The Bank's approach to reform as a mere transfer of blueprints and best practices not only limited the opportunities of local experts to move the agenda at the level of decision-making, but also nourished the power of the Executive in judicial decision-making.

By empowering certain actors to carry a Bank project, there is a choice to be made in dis-empowering other actors and their policy ideas, knowledge and proposals for reform. However, rather than improving the environment for reform by engaging with local actors in networking activities and enhancing the support and capacity to lead the reform, the Bank managers followed a top-down strategy that hampered the implementation of the reform and led to increasing discredit of the project and the Bank's role. Following the arguments outlined in Chapter Two, this case shows that the capacity of the World Bank to translate knowledge into instruments of policy change is limited if the Bank is unable to act as a 'norm-broker' engaging with local actors for the implementation of policies on the ground. In the case of judicial reform in Argentina the capacity of the World Bank management to act as a broker was limited by contextual factors, mainly the lack of incentives for reform among key policy-makers, the approach of the management team toward local experts and expertise, and thus competing policy paradigms. While not rejecting the possibility that the World Bank's team in Argentina might have had the genuine objective of carrying out an efficient judicial reform, its intervention in the sector corresponded to the logic of 'the Bank's operational imperatives' rather than to local proposals and expertise. As argued by Cammack, what matters most for the Bank is the global consolidation of a capitalist project and for that the establishment of sound state institutions, making governments the 'owners' of neo-liberal reforms but subjected to the control of the Bank (Cammack 2004: 190, 206).

The absence of linkages with local actors in this case, however, showed that although the World Bank had some influence in the policy stream by persuading the government to adopt the World Bank's programme, the adverse relationship with key local experts weakened the capacity of the World Bank to act as an effective 'norm-broker', competing rather than cooperating with local knowledge and local paradigms. By overlooking the existing local epistemic-like community involved in policy formulation for judicial reform prior to the arrival of the Bank in the country, the staff from the Bank Legal Department followed a more coercive type of intervention based on a passive, apolitical approach to local recipients of knowledge and funds. As a result, 'reinventing locally' by 'transplanting' paradigms, policy models and best practices, in this case, did not materialise into policy change and new institutions.

As explained in the next chapter, although epistemic communities are not formed by the norm-broker, their acknowledgement by the Bank staff allows the formation of pro-reform networks giving precedence to local experts and their expertise. It also facilitates the understanding of the political realities that shape the incentives of key actors in the context in which the reforms are carried out. The capacity to engage in pro-reform networks is, in turn, not only critical for the Bank staff to secure consensus, but also may in all likelihood mean 'the difference between a well designed intervention that mobilises critical support and a failed initiative that alienates crucial clients' (World Bank 2004d: 1).

CONCLUSION

This chapter offered an empirical analysis of the role of the World Bank in the case of judicial reform in Argentina during the 1990s. The case of judicial reform in Argentina confirms that an effective combination of funding and knowledge management for the articulation of global/World Bank paradigms and local frameworks increases the capacity of the Bank's managers to implement institutional reform in politically sensitive areas.

The empirical analysis supporting this chapter shows that despite corporate changes introduced toward the development of a 'Knowledge Bank' and the high-profile declarations of the importance of local knowledge and experience, the logic of the World Bank involvement in the case of judicial reform in Argentina was led by a 'culture of approval' tradition by which task managers tend to secure loan approval to fit in with the strategic framework supported by the World Bank.

In this context, although the presence of a strong national knowledge was acknowledged by the Bank management in the initial stages of background analysis and sector diagnosis, the design and negotiation of the judicial reform programme was restricted to the discretion of the World Bank's manager and the government. As a result, PROJUM acknowledged some of the concerns sustained by local actors, yet the content of the negotiated reform programme did not address fundamental issues related to the contentious politics affecting the judiciary. The Bank management followed a loan approval rationale that focused on securing agreement with key policy-makers rather than reaching agreement with local experts. In this case, rather than acting as a norm-broker the mission of the Bank discouraged linkages with local experts and practitioners, overlooking other sets of ideas, proposals or simply other communities of thought. This case shows that, although knowledge management within the Bank has evolved as a new corporate strategy to integrate money and knowledge within the work of its operational units, the involvement of the World Bank in the Argentine judicial reform followed 'financial imperatives' that overlooked alternative proposals and policy ideas conveyed by local experts. The tension between national experts and the World Bank team task managed by Maria Dakolias reflects a major question of how the Bank engages in governance reforms within a framework of non-interference in the political affairs of its borrowing members. In this case, the rationale of loan approval led the World Bank's Legal Department to support the government agenda rather than the consensual knowledge articulated by experts from legal and business think-tanks and from the Ministry of Justice. Local knowledge in this case was politically contending as it was considered by the Executive and by the Supreme Court to challenge the *status quo*.

True, government consent was an important instrument in setting the conditions for programme negotiation, yet the case of judicial reform in Argentina proved that the sustainability of its implementation is clearly context-dependent. The lack of involvement of local knowledge in the terms and objectives of the reform programme that was negotiated with the government not only silenced debate, but also narrowed the bases of legitimacy for policy implementation. The result was the approval of a de-contextualised project that failed in its implementation goals and thus in its continuation.

The empirical analysis offered in this chapter for the case of judicial reform shows that policy change requires a political process that involves amalgamation and compromises between power, ideas, legitimacy and consensus. These elements underpin the power of the Bank to move forward political and institutional reforms in developing countries. As the case of judicial reform in Argentina suggests, the lack of recognition of the importance of social contestation in policy struggles and the absence of networking efforts to close the gap between World Bank's 'best practices' and local knowledge challenged the World Bank Legal Department's dominant position and created a societal response in which the Bank lost legitimacy, autonomy, influence, and position in the area of judicial reform.

The next chapter concentrates on the case of the Anti-corruption Office and the Crystal Government Initiative. The cases of judicial reform and anti-corruption in Argentina show not only that the units involved in governance-related programmes were different, but also that the patterns of involvement of these units differed. That is, while in the case of judicial reform the Bank acted as a mere conveyor of funds and knowledge in the transfer of blueprints and best practices, in the promotion of anti-corruption policies in Argentina, the World Bank acted as a 'norm-broker' that engages with local experts for the design of policies and their implementation. The analyses of judicial reform and anti-corruption in Argentina shows that to have an impact on the country's institutional reform, knowledge requires 'local champions' that can boost the creation and transfer of knowledge and policy ideas and ensure the implementation of new norms of governance on the ground.

CHAPTER SIX

THE WORLD BANK AS A NORM-BROKER IN ARGENTINA'S ANTI-CORRUPTION POLICIES

INTRODUCTION

Having analysed the case of judicial reform in the previous chapter, this chapter focuses on the role of the World Bank in advancing anti-corruption policies in Argentina. It explores the ways and extent to which the formation of networks engaging Bank staff and local actors has added a new dynamism, improving the capacity of the PREM and the WBI to advance anti-corruption reforms. This chapter argues that the capacity of the Bank to advance governance norms is not explained solely by the leverage of its financial resources, but rather by the capacity of the World Bank to combine funds and knowledge-related activities to gain the consent of local actors (beyond the government) to implement policy change effectively.

This chapter complements the empirical analysis offered in Chapter Five and supports the overall claim of the thesis that governance reforms are entrenched in complex policy process in which the dominance of a particular actor or paradigm *vis-à-vis* other contending actors or ideas is not simply reinforced by coercive means, but rather by integrating contesting impulses into broader consensus to implement policy change on the ground. Chapter Five demonstrated that the power of the World Bank's financial or knowledge power to influence policy change in developing countries is a process that entails not only the *transfer* of ideas but also their *institutionalisation*. It also showed that the lack of engagement in pro-reform networks with local actors, in particular with local experts, for the amalgamation and compromise of 'knowledge(s)' and policy positions affected the effective implementation of judicial reform.

This chapter concentrates on two anti-corruption initiatives supported by the World Bank in Argentina, the Anti-corruption Office and the Crystal Government Initiative. The World Bank units involved in these governance-related programmes were the PREM and the WBI. As the analysis suggests, contrary to the experience of the Bank's Legal Department in the case of judicial reform, these units were more inclined to work with local actors from developing countries for the definition of policies and their implementation procedures. Although these units have been important contributors of codified knowledge regarding the issue of governance and institutional reform (in the form of toolkits, indexes and indicators, capacity building and training material) in practice, rather than transferring preconceived models, task managers have relied largely on policy proposals, data and background knowledge offered by local experts.

Based on the experience of judicial reform and anti-corruption in Argentina, this chapter suggests that when the World Bank is able to draw on both its financial and knowledge resources to build and consolidate 'pro-reform networks' with domestic actors, it can have considerable power to implement governance-related norms in its client countries. When acting as a norm-broker, World Bank staff integrate the Bank's normative agenda with country-based knowledge for the design, negotiation and implementation of policies.

The analysis of this chapter is divided into four parts. The first part concentrates on the World Bank's agenda of anti-corruption resuming the discussion on Bank units' approaches to governance and their role in the promotion of these reforms on the ground.

The second part introduces the problem of corruption in the Argentine context and analyses actors, approaches, incentives and local initiatives to curb corruption. This part also explores the epistemic-like community that gathers the local experts and organisations that not only drove the agenda of anti-corruption in the country, but also set a theoretical precedent 'for a new way of making policy'. This approach, it is argued, not only framed the relationship between knowledge and policy implementation, but also shaped the relationship between local actors and the World Bank.

The third part focuses on the involvement of the World Bank in anti-corruption programmes in Argentina. It explores the policy outcomes of the implementation of the Anti-corruption Office Programme and the Crystal Initiative supported by the PREM in collaboration with the WBI.

The fourth part discusses the brokerage role of the World Bank in anti-corruption, considering knowledge, power (and empowerment of actors) and networks in light of the recognition that amalgamation and compromises between actors' approaches and interests shaped the process of implementation of anti-corruption programmes. The chapter closes with some concluding remarks and suggests some questions for further research.

DEPICTING GOVERNANCE: THE WORLD BANK'S ANTI-CORRUPTION AGENDA

The fight against corruption has been a paradigmatic milestone associated with the presidency of James Wolfensohn in the Bank (Chapter One). In his 1996 Annual Meeting speech President Wolfensohn made the fight against the 'cancer of corruption' a critical aspect of sustainable development. This was a critical juncture for the World Bank's promotion of governance as it explicitly established the commitment of Wolfensohn to the promotion of anti-corruption strategies. As recalled by Marquette:

> In early 1996, Wolfensohn invited Transparency International (TI) to make a presentation to the Bank's vice-presidents. This meeting resulted in the creation of the Corruption Action Plan Working Group in mid-1996, which eventually drafted the landmark 1997 publication, Helping Countries Combat Corruption: The Role of the World Bank. This document sets out the Bank's strategy regarding anti-corruption and continues to guide its evolution. (Marquette 2001: 401)

Since its articulation within the rhetoric and operational agenda of the World Bank, 'fighting corruption' has evolved as a distinctive norm for development assistance. Within the World Bank's governance agenda, anti-corruption has aimed at increasing transparency in public administration and at reducing the 'use of public power for private gain' by civil servants (World Bank 1997a). The 1997 report *Helping Countries Combat Corruption* provided the framework for the Bank to address anti-corruption programmes. It also identified ways in which the Bank could help countries to implement anti-corruption policies and suggested how the Bank should mainstream consideration of the issue in its work. In addition, the report discussed the ways in which the World Bank could contribute to international efforts to control corruption and examined the control of fraud and corruption within Bank-financed projects. The agenda of anti-corruption evolved based on three main concerns: (i) whether Bank projects are likely to be affected by corruption during design or implementation; (ii) the extent to which the achievement of development objectives is compromised by corruption; (iii) the willingness of the government to act to control corruption if it threatens the effectiveness of Bank projects and/or economic and social development (World Bank 1997a: 4).

The analytical and operational work of the PREM and the WBI on issues of governance and anti-corruption has been groundbreaking. This work has also been supported by the research and corporate publications developed within the DECRG. As analysed in Chapter Three, within the World Bank Group, the WBI's Governance, Regulation, and Finance division and the PREM developed a distinctive expertise in anti-corruption programmes that was reflected in funded projects as well as in knowledge-related activities for staff of the Bank, civil society and policy-makers in developing countries. Incentive-creation and capacity-building was particularly developed as a 'fresh niche' in the WBI's Governance, Regulation, and Finance Division (Kaufmann 2002: interview 2004: interview). As for the PREM, it became the anchor at the interface between knowledge and finance operations within the Bank (see Chapter Three). As argued by Marquette, the PREM is a 'central clearinghouse' for anti-corruption work within and outside the Bank (Marquette 2001: 9). In 1997, a specific thematic group was also created within the PREM for the analysis and evaluation of anti-corruption programmes (Campos 2004: interview; also Chapter Three).

The impetus of a novel way of approaching development and development assistance that was defined in the Strategic Compact drove anti-corruption strategies from the outset. According to a Bank official, the adoption of anti-corruption required Bank staff to adapt to more comprehensive ways of approaching development economics and assistance efforts in developing countries (Kpundeh 2004: interview). This claim was acknowledged in the World Bank's 1997 report by stating that:

> Political will is essential. The sustained reduction of systemic corruption requires committed leadership and support from citizens and civil society. External actors like the World Bank can help, but aid conditionality cannot substitute if political will is missing. (World Bank 1997a: 5)

Furthermore, the recent review of progress on anti-corruption activities in World Bank assistance since 1997 acknowledged that:

> In many countries where corruption is entrenched, governments lack either the will or the capability to mount effective anti-corruption programs, [...] the Bank may choose to amplify citizens' voice and strengthen exit mechanisms. (World Bank 2004c: 52)

The recognition of local actors other than government officials, namely, civil society practitioners, experts, scholars, consultants, policy makers and journalists, has been part and parcel of the development of anti-corruption programmes mainly within the WBI and the PREM. Two main issues facilitated a tendency to work from the bases of local expertise: First, as explored in Chapter Three, these units are at the intersection between knowledge and funding. Furthermore, some of their staff brought with them the lessons of previous participation in the USAID Rule of Law Programme, which engaged in issues of democratisation and strengthening of civil society. This is, for instance, the case of Linn Hammergren, Senior Public Sector Manager for Latin America and the Caribbean, and Task Manager for Anti-Corruption Support Programme in Argentina.

Second, these units were strongly supported by Wolfensohn as part of an *emblematic* reconfiguration of the Bank infrastructure to carry out the CDF and the Strategic Compact. As such, these units fostered new strategies of diffusion and implementation of development norms based on broader support by local actors beyond the traditional 'negotiations to gain the consent or political will from the Executive or [Ministry of] Finance' (Gonzalez de Asis 2004: interview).

The adoption of anti-corruption for development within the governance agenda came some time after World Bank judicial reform programmes were already at the implementation stage in several developing countries, such as Venezuela (Loan 3514, 1992 and Loan 4270, 1997), Bolivia (Loan 2705, 1995), Ecuador (Loan 4066, 1995). Thus, lessons and patterns were drawn from the experience of the Bank's Legal Department in advancing judicial reform and from its strongly criticised modality of intervention that neglected local actors and their expertise in the design and implementation of judicial reform programmes (Human Rights First 2000; Messick 2004: interview). As claimed in the previous chapter, judicial reform resembled a template that was replicated across countries, regardless of their political, economic and social characteristics. As a consequence, local actors considered the Bank efforts in the field of legal and judicial reform as a competing agenda that was designed 'to smooth the way for North American and Western European trade and investment in the region' rather than as a response to local priorities (Carothers 2001: 19). As argued by a senior official of UNDP, the risk of transferring knowledge and reproducing a rhetoric on what works and what does not is that sometimes programmes are unsuitable in local realities (Mason 2004: interview).

Finally, in the course of judicial reform and anti-corruption task managers targeted different goals. That is, while judicial reform in Argentina looked at the institutional bases of court management, anti-corruption initiatives focused on a micro level in which the government administration and the performance of civil servants were the target. In other words, rather than institutional performance, the agenda of anti-corruption concentrates on the micro-management of public expenditure, procurement, information disclosure and auditing (Gonzalez de Asis 2004: interview). As the emphasis is placed on incentives, working with local actors has proved to be critical for the achievement of the reforms.

(Lack of) A Bank Theory of Implementation of Governance

The World Bank's governance agenda has been carefully justified in economic terms and legitimised by a normative approach grounded on theoretical and evidence-based knowledge developed within the DECRG, the operational units involved in the promotion of new governance-related programmes and the WBI (see Chapter One). Nonetheless, governance, and its normative goals of promoting transparency, accountability and the rule of law in development assistance did not come without controversy. The *WDR 2000/2001: Attacking Poverty* was not only evidence of the existing differences between an 'old guard and a new guard' within the Bank regarding new development paradigms, but also that economic variables still defined priorities and the *modus operandi* of the Bank (Ritzen 2005: 113). The result was a depoliticised good governance agenda (Bøas and McNeill 2004). In other words, governance was cautiously articulated in terms of procedures to improve the efficiency and effectiveness of public institutions that could develop a sound economic role within the state. The *WDR 2002: Building Institutions for Markets* specifically defined 'good' governance as fostering 'the creation, protection and enforcement of property rights, without which the scope for market transactions is limited' to introduce the absence of corruption and judicial efficiency as important pillars in the development of market economies (World Bank 2001a: 99, 117-131; also Chapter One).

Conceptualised like this, anti-corruption and judicial reform were based on theoretical arguments closely related to New Public Management approaches 'that direct the Bank towards specific kinds of reforms' (Harrison 2005: 245; see also Chapter One). Yet, although the Bank's operational agenda was circumscribed by a normative objective, it can be argued that the introduction of governance as a new area of development assistance was not accompanied by a comprehensive theorisation within the Bank about the course of action and political implications of implementation for policy change in developing countries. As argued by Harrison, the Bank lacked a 'theory of political action'; that is, the Bank's theoretical and conceptual groundwork have not been accompanied by a critical discussion within the Bank about how to conceptualise its own operations (Harrison 2005: 244-247).

In consequence in some circumstances, as in the case of judicial reform, Bank staff approached the reform as a process of *transfer* of blueprints and 'best practices' via negotiating funded projects with the government overlooking, local experts and expertise, while in other circumstances, as in the case of anti-corruption, Bank staff engaged with local expertise for the framing of the problem and the implementation of the solution. As the case of judicial reform shows, the Bank played an important role in disseminating knowledge, yet in practice, the transfer of knowledge and funds proved insufficient to assure success in policy implementation (see Chapter Five). In the second case, in contrast, development assistance involved a process in which the Bank acted as a broker integrating the World Bank's normative agenda with country-based knowledge for the design, negotiation and implementation of policies.

Rethinking the implications of the knowledge/policy nexus for the implementation of governance-related reforms in terms of a theory of action provides new grounds for further analysis of the intervention of the World Bank in governance operations in developing countries. It also proposes a new approach in the analysis of how the Bank understands state, market, and civil society relations (also Harrison 2005). The cases of judicial reform and anti-corruption analysed in this thesis suggest that from the point of view of World Bank staff either the state is considered as a complex relationship between the government (Executive and the judiciary for instance) and local actors (civil society practitioners, local experts, academics, among others), or it is considered as a technical, a-political institutionalisation of procedures and norms. Therefore, while in the first case reform is considered to be the result of a process of amalgamation and compromises between actors' interests and ideas, in the second policy change is expected to result from a (rational) decision-making process based on an efficient, cost-benefit choice. In other words, while the role of the Bank as a mere 'conveyor' of funds and knowledge or paradigms underestimates the importance of local knowledge, the process of norm-brokerage is critical in articulating global/World Bank and local knowledge to push through effective implementation of changes in politically sensitive areas of reform. The different approach to state and civil society among Bank staff also reinforces the claim that the Bank is not a uniform institution (see also Chapter Three).

Weaver has explained fundamental differences in approach in terms of an institutional lag resulting from the different adaptation of units and staff to new ideas and development practices (Weaver 2005). In her words, 'judicial reform has been largely initiated by staff members with the previously marginalised Bank Legal Department'; moreover, she continues, 'the relation between PREM and the Legal Department's staff has often been quite strained' (Weaver 2005: 42; also Hammergren 2004: interview).

The empirical evidence offered in this study suggests that some units and managers within the Bank have recognised the state in a wider context than the technical, institutionalist approach and considered it as embedded in historical and political struggles. In the case of Argentina's governance reforms, the lack of recognition of the political aspects in undertaking reforms in the judicial system, and the focus on institutional aspects of the reform had (unintended) effects for the implementation of policy change, and further empowered a government agenda that, paradoxically, sought to keep the *status quo*.

Moving away from the exclusive focus on the judiciary, the PREM and the WBI broadened their scope in terms of the actors involved. Task managers and country officials within these units involved in programmes of modernisation of the state and the promotion of transparency in the Latin America region acknowledged that a broader consensus on the reform agenda was needed (Messick 2004: interview; Myers 2004: interview). As assessed succinctly by an official of the WBI, 'while judicial reform assumed that consensus at the highest level of government would suffice to make reform happen, reformers promoting anti-corruption [within the Bank] recognised the importance of including not only the government but also external actors, such the NGOs and the media as key drivers of anti-corruption reforms' (Gonzalez de Asis 2004: interview).

Some units and staff within the Bank also recognised that demands for governance-related assistance might not be of interest to governments, given the political consequences that the enforcement of anti-corruption policies might bring. Thus, a different stance was taken by some task managers and country officials, which appealed to alternative interlocutors to foster anti-corruption policies that the governments would not themselves apply. As recommended by the OED, 'where acceptable to public authorities, the Bank should deal with this problem by fostering demand among a wide spectrum of stakeholders in those countries' (World Bank 2004c: 105).

In order to gain a broader consensus of local actors, staff from the WBI and the PREM promoted knowledge-related activities to strengthen the policy capacity of local actors in the formulation and implementation of policy and institutional reforms. Knowledge activities, undertaken through courses, training, workshops, experts exchange and pilot programmes supported with grants or small loans, helped to articulate World Bank and local knowledge(s) and to put policy ideas into practice.

In this context, the engagement of the World Bank in anti-corruption issues not only marked a turning point in terms of traditional areas of involvement and support in developing countries, but also the emergence of a new dynamic in terms of combining research and knowledge activities with funding instruments. The remaining sections analyse this experience and explore different patterns of involvement by the World Bank and the implications on the policy outcome in the case of anti-corruption policies in Argentina.

CURBING CORRUPTION IN ARGENTINA

One of the most striking Argentine paradoxes during Menem's administration was that while he presided over a period characterised by unprecedented economic prosperity and a transformation of the state, this process was accompanied by increasing levels of corruption (Manzetti 2000). As explored in Chapter Four, the far-reaching process of privatisation of state assets and market-oriented reforms, which established the country as a flagship for international financial institutions, brought about corruption practices involving many top government officials and major international corporations like IBM, Citibank, and the Spanish telecommunications company, Telefónica (Vertbiski 1993; Abeles *et al.* 2001). In turn, cases of corporate corruption gave the problem an international resonance that alerted investors considering further business in the country (Manzetti 2000). The IBM scandal that broke in 1996 was, in fact, one of many cases of corruption related to bribery and fraud involving the state. In the specific case of IBM, this involved a US$ 21 million bribe paid by IBM Argentina for a US$ 249 million contract with the state-owned Central Bank. As reported by the Joseph Katz School of Business at the University of Pittsburgh, in addition to the lost revenue after the cancellation of its multi-million contract IBM was excluded from state sector contracts for integrated projects in the Latin American region (http://www.pitt.edu/~ethics/Argentina/case.html. 28 April 2005). Other cases of corruption involved contracts and procurement related to national services, such as the national pensions administration agency; misuse of public funds and embezzlement; and vote-buying scandals in the Senate as members of the Parliament were bribed to ensure the passage of controversial market-oriented reforms. By the end of Menem's administration, several corruption allegations included the prosecution of Menem and Cavallo for their alleged participation in the smuggling of arms to Croatia and Ecuador in spite of international embargoes to war zones (Tedesco 2002: 474).

As in the case of judicial reform, anti-corruption proposals were articulated by local experts before the arrival of the World Bank mission in the country. Thus, in tandem to the growing awareness on the deterioration of the rule of law and the politisation of the judiciary, corruption in public administration soon became the focus of civil campaigns for transparency and accountability. Although there were limited opportunities to influence the policy-making process and translate proposals into public policies during the 10 years of Menem administration, local experts and practitioners consistently worked on alternative policies of monitoring and increasing transparency and accountability and led civil campaigns to enhance public awareness on corruption.

As analysed in Chapters Four and Five, the political interference in the administration of justice by the Executive neutralised the accountability functions of the courts and therefore created institutional incentives for increasing corruption. Judicial investigation of corruption in this context was futile. Aware of the limitations of the judicial system as an oversight mechanism and that proposals for reform supported by the World Bank's Legal Department were oriented towards modernisation of the system rather than towards tackling corruption in the country, a group of experts and practitioners from NGOs concentrated their efforts on alternative channels for the development of anti-corruption practices. Among these organisations, the campaigns of ADC, FARN, and CELS were most significant (see Chapter Four for a description of these organisations). These organisations were influenced to various extents by the pioneering work of Poder Ciudadano and its campaigns on transparency and accountability in public administration from the late 1980s (Manzetti 2000).

The limited support from the World Bank's Legal Department on topics of anti-corruption led these organisations to seek external support from other units within the Bank that acknowledged the importance of (local) knowledge for development and implementation of programmes, such as the WBI and the PREM. Local experts from organisations such as Poder Ciudadano, CELS and ADC, noted that, in contrast to the experience of the Bank's Legal Department in judicial reform, the WBI and the PREM were developing a rhetoric that put civil society and local knowledge at the centre of policy formulation and, more importantly, saw it as an indirect way of monitoring government policies and public services (Garrido 2003: interview; Baragli 2003: interview). This was even more the case among some staff of the PREM who, as mentioned previously, had worked with Poder Ciudadano for the implementation of USAID programmes related to rule of law in Argentina before being recruited in the Bank (Hammergren 2004: interview)

Internationally, in preparation for the 1998 Summit of the Americas, the USA government launched a campaign through which the countries of the region would agree to observe public ethics and transparency in public administration (Acuña 2003). Additionally, this agenda was marked by three main international trends: (i) the establishment of the Convention Against Bribery of Foreign Public Officials in International Transactions of the OECD in 1996; (ii) the Inter-American Convention against Corruption (IACC), signed by 23 countries in March 1996 and ratified by Argentina in October 1997; (iii) the increasing international awareness of the impact of corruption on markets, led primarily by the World Bank, the IDB, and (with a less pro-active approach) other organisations such as the IMF.

While the international agenda of anti-corruption helped to amplify national NGOs' campaigns to push the national agenda into the policy-making process, the government reacted pragmatically. While not fully committed to anti-corruption reforms since these could jeopardise members of the administration of Menem, the presidential elections to be held in October 1999 put the issue of curbing corruption in the spotlight of political campaigns. The lack of public support for Menem's presidential candidacy, which was launched despite an earlier Court decision claiming that running for a consecutive third term was unconstitutional, and the mounting corruption scandals led the government to respond to some trends that were, to some extent, unavoidable (also Helmke 2003). In this context, the Argentine Congress ratified the IACC through Law No. 24.759 and followed its recommendation by creating at the end of 1997 the National Office of Ethics

(ONEP). The ONEP was created by decree (Decree 152/97) and expected to: (i) investigate public officials suspected of corruption, enforcing the requirements of the Inter-American Convention against Corruption at the national level; (ii) denounce to the judiciary those events that might constitute a crime; (iii) become a plaintiff in those trials where the Federal Treasury had been negatively affected; (iv) administer the sworn financial disclosures of government officials; (v) develop programmes to prevent corruption and promote transparency in public administration (Meagher 2002: 41).

Although this initiative was seen as a first step towards transparent policy-making, the ONEP was part of the Interior Ministry, an institution that had been not only accused of arbitrary behaviour and corruption but was also under the direct authority of the Executive Branch (De Michele 2003: interview, also Código de Etica de la Función Pública: Decreto 41/99: http://www.anticorrupcion.jus.gov.ar/41-99.pdf. 26 May 2005). Predictably, the ONEP became an ineffective institution, created as a strategic response to placate national and international concerns relating to the corruption scandals of the Menem administration (Clarín 1998, Política; 1999, Política). Despite the rhetoric, in practice this anti-corruption initiative showed no clear results. The ONEP lacked the authority to investigate cases (De Michele 2003: interview). These reservations were supported by the fact that it was not until September 1999 that the Argentine Congress approved a Public Ethics Act (*Ley de Etica Pública*), which outlined by law the purpose and scope of the ONEP. Similarly, De Michele, the then president of Poder Ciudadano, observed that:

> The National Office of Public Ethics was integrated by a number of public figures, all presidential appointees presumably known by their reputation, headed by a former dean of the medical school of the University of Buenos Aires, all of whom lacked of expertise or experience in the anti-corruption field. (De Michele 2004: 7)

Two years after the creation of the Argentina's Ethics Office a Gallup poll surveying the perception of corruption in the country's public institutions showed that this public agency was considered by the public as one of the most corrupt institutions in the nation.

'The poll found that labour unions, the Customs Service, the judicial system, and the Ethics Office were rated, in that order, as the most corrupt institutions' (Newsline 1999: http://www.globalethics.org/oldnewsline/private/body.8-23-99.html. 19 May 2005)

In December 1999, a window of opportunity opened, as the change in presidential administration compelled extensive consideration of the problem of corruption and the weak rule of law. Among local experts and practitioners there was tacit agreement that 'this was the time to move ahead with proposals and action plans that had been developed in the shadows of 10 years of Menemist administration' (Raigorodsky 2003: interview).

A National Epistemic-like Community in Anti-Corruption

Fernando De la Rúa took office in late 1999. He was the candidate of the winning electoral alliance, the 'Alianza', formed by a traditional centre-left party, the Radical Civic Union and the *Frente País Solidario*- FREPASO, largely integrated by dissidents of the Peronist party. As corruption was a major political issue in the Argentine electoral campaign of 1999, once in power, the presidency of the 'Alianza' aimed to eliminate corrupt practices and restore citizens' confidence in state institutions.

From the time it began to campaign, the Alianza was advised by a think-tank, the *Instituto Programático de la Alianza*, which gathered together experts from the NGOs who had been involved in anti-corruption during the Menem era, and that provided the background analysis and proposals to eventually form, with support of the PREM and WBI, the Anti-corruption Office (Baragli 2003: interview; see Chapter Four, Part Three). While the experts and think-tanks that formed the epistemic-like community in the area of judicial reform were not significantly involved in the design of anti-corruption policies, the experts that developed the field of anti-corruption in Argentina were less involved in judicial reform and more engaged in advocacy campaigns related to rule of law and human and civic rights, rather than public administration. According to Christian Gruenberg, former Director of the Monitoring Programme for Financing of Election Campaigns – one of the pioneering campaigns launched by Poder Ciudadano in 1999 –

'the approach of NGOs and experts linked to anti-corruption campaigns brought to the forefront the relationship between money and politics, rather than mere institutional aspects of the system. This relationship was central to the democratic functioning of institutions' (Gruenberg, personal communication, 15 February 2004). This approach underpinned the work of these organisations and gave this epistemic-like community a distinctive profile that differed from the approach to governance reforms taken by the other community involved in judicial reform.

The fact that the legal experts and practitioners from NGOs concerned with anti-corruption had a particular sense of 'belonging' since they were educated in similar institutions, such as the Universidad de Buenos Aires in Argentina and University of Yale in the USA, helped in forming an emergent epistemic community (Santos 2003: interview; Braun 2005: interview). Their work, in the shadows of the Menemist administration, developed in the early 1990s from campaigning for civil rights and watchdog activities to more pro-active proposals for policy reform in different areas of public administration. Poder Ciudadano acted, in effect, as a platform for most of those actors and experts on anti-corruption. As argued in Chapter Two, the set of knowledge produced by these local experts draws from their scientific research and, even more strongly, from their advocacy action. This was particularly so in the cases of, for instance, Roberto de Michele, former Director of Department of Transparency Policies at the ACO; Roberto Saba, Director of ADC; Nicolas Raigorodsky and Néstor Baragli, Senior Advisor on Transparency Policies in the Argentine Anti-Corruption Office respectively, and Marcelo Colombo, Director of Planning and Investigation of the same office. As part of Poder Ciudadano in some cases, and as independent consultants in others, these actors were involved in agenda-setting and the implementation of policies related to rule of law, transparency and accountability. They also interacted and participated in the design and dissemination of policies, taught courses and toolkits in collaboration with the WBI and the PREM in Latin American countries. Moreover, as explored further in the following section, in contrast to the experience of the experts in the policy area of judicial reform, the anti-corruption epistemic-like community merged with the 'transnational epistemic community' that revolves around the World Bank, particularly the WBI and PREM.

Finally, although anti-corruption developed as their main area of expertise, in recent years they have turned their activities towards a more pro-active engagement in analytical and policy recommendations concerning transparency policies and the reform of the judicial system for the current government of Nestor Kirchner (Garrido 2003: interview; Saba 2003: interview; De Michele 2003: interview; Abramovich 2004: personal communication).

The different approaches among local actors and organisations regarding governance were reflected in the proposals discussed in the national discussion forum, the *Mesa de Diálogo*, organised by various actors following the economic and political crisis of 2001 (see Chapter Four). According to Saba, the evolution of judicial reform and anti-corruption reflected two discussions or paradigms that envisioned different definitions of problems and solutions in terms of how to approach institutional change; that is, those involved in judicial reform emphasised efficiency and the administration of justice, while those involved in anti-corruption worked towards a different model of political and institutional structure (Saba 2003: interview). Victor Abramovich, Director of CELS, suggested that 'the difference between those actors that concentrate merely on judicial reform and those that understand the problem as a broader crisis of corruption and impunity is a difference between reforming institutions or transforming them by means of establishing a new way of making policy' (Abramovich 2003: interview).

This idea of 'a new way of making policy' supported by local experts and practitioners advanced the national agenda of anti-corruption in Argentina and shaped the relationship between knowledge and policy implementation. As corruption was associated emblematically with the presidency of Carlos Menem, the new administration of Fernando De la Rúa made this issue the core of its policy platform. Once in office in December 1999, Ricardo Gil Lavedra, De la Rúa's Minister of Justice, called in local anti-corruption experts to draft the anti-corruption policies to retool and enforce the work of National Office of Public Ethics, which had been discredited for lacking authority to investigate cases in its short life during Menem's administration. Two specific measures were proposed: (i) to review financial disclosure forms in search of potential conflicts of interest on the part of the newly appointed Ministers, Secretaries of State and other members of the Executive Branch; (ii) to draft an access to information bill (Saba 2003: interview; De Michele 2003: interview). These proposals were institutionalised in the Anti-corruption Office in 2000. One of the first tasks of the Anti-corruption Office's Department for Transparency Policies was, in effect, to redesign the financial disclosure system inherited from the National Office of Public Ethics to monitor effectively the progress of the assets of public officials as well as to detect possible cases of conflict of interest (De Michele 2004: 9).

As analysed in the next section, the involvement of the World Bank with funding and knowledge-related activities was critical for the development of functions and recruitment of the Anti-corruption Office. As was argued, some Bank officers became more adept at facilitating and coordinating local knowledge producers, activists and decision-makers in order to put ideas into practice. In the case of anti-corruption in Argentina, Bank staff from the PREM and the WBI created a policy window by brokering global and local knowledge for the formulation and implementation of policies. The following sections analyse the involvement of these Bank units in the formulation and implementation of anti-corruption policies in the country. As the analysis suggests, this practice has had important policy implications since it was aimed at developing or strengthening local actors' expertise to develop the bases for further policy-making within the newly established Anti-corruption Office (Garrido 2003: interview).

THE WORLD BANK IN ANTI-CORRUPTION PROGRAMMES IN ARGENTINA

Anti-corruption programmes supported by the World Bank were introduced in Argentina in late 1999, on the eve of a change in presidential administration. In 2000 the Public Sector Group in collaboration with the WBI and the Evaluation Department released the *Anti-corruption Diagnostic for Argentina* (World Bank 2000d). This report offered an overview based on research done in late 1999. Drafted immediately before the change of national government, the report was very critical of the anti-corruption measures implemented during Menem's administration and recommended conditions to overcome the political factors that affected investor confidence. The report called for the enforcement of transparency in public administration and the strengthening of the supervision of institutions that were lacking in a clear mandate and functions. The World Bank categorically stated that:

> While ONEP during its existence in the Secretariat of the Presidency also received and forwarded complaints, neither it, nor the Ombudsman, whatever their other achievements, were reported to have accomplished much in this area. In short, the diffusion of responsibilities for administrative investigations among a variety of agencies, none of which had been adequately equipped for the job, only encouraged a dilution of accountability and a tendency for cases to be lost in the system. (World Bank 2000d: 12)

The World Bank's CAS for Argentina for the fiscal years 2001-2004 took some of this advice and explicitly required the new administration of De la Rúa to implement efforts to reduce 'waste and corruption' and to improve the business environment by reforming the judiciary (World Bank 2000c: 22-24).

Following these recommendations De la Rúa initiated a series of initiatives, which included: (i) enforcing the provisions of the Inter-American Convention Against Corruption (approved by Law N° 24.759); (ii) the adoption of new regulations to increase the transparency, efficiency, and equity of contracting procedures; (iii) the disclosure of information relative to public administration within the Secretariat for the Modernisation of the State (the Crystal Government Initiative); (iv) an Anti-corruption Office agreement with a number of local NGOs to perform monitoring activities over public declarations. The government also agreed with the World Bank the initiation of a research programme to diagnose the incidence of corruption in the public sector (World Bank 2000c: iv).

Having experienced the crisis of rampant corruption, the new president was forced to give a rapid and satisfactory response not only to his constituency but also to donors and external investors. The change in government and the wide perception of 'bad governance' not only provided new opportunities for local experts and NGOs to influence a new way of approaching policy making and anti-corruption programmes, but also gave new opportunities for some World Bank staff to 'fill out' the normative vacuum. In this context, the task managers of the Bank involved in the promotion of good governance faced two dilemmas: either they became involved in the promotion of governance-related programmes on the bases of pre-conceived ideas of what constitutes good policies and good reforms, or Bank staff engaged with knowledge and local expertise for the framing of both the problem and the solution. The experience of judicial reform had demonstrated that the lack of compromise with local experts for the design and implementation of policy reform was a formula that led to truncated results. Development assistance in this case was reduced to a process in which knowledge (in the form of codified best practices) was considered by Bank staff as a commodity to be 'transferred' from the donor agency to a country. Moreover, in that case although the Bank mission obtained government approval and secured loan disbursement, lack of consensus and support from local experts de-legitimised the bases for the implementation of the Bank-supported judicial reform. Evidence showed that the transfer of knowledge, and even the commitment on the part of government agencies to take that knowledge was insufficient to assure success in the implementation of policies on the ground (see Chapter Five).

Putting local knowledge 'in the driver's seat' was a critical lesson for the Bank staff in terms of materialising policy ideas into new institutions. This was even more the case in a country with a strong national knowledge base. This recognition led to a different mode of involvement by the PREM and the WBI in the field, and to a different dynamic between knowledge and compliance in the implementation of anti-corruption policies.

In the case of judicial reform, the World Bank's manager and country actors were unable to set a pro-reform network for the definition and implementation of projects in the sector. In this case, the rationale of loan approval led the World Bank's Legal Department to support the government agenda rather than the consensual knowledge articulated by experts from legal and business think-tanks and from the Ministry of Justice. The PROJUM's management did not seek to amalgamate and compromise the Legal Department's paradigms and normative approach to policy change with local actors' approaches and interests (see Chapter Five, in particular Parts Three and Four). Thus, the fate of judicial reform in Argentina was sealed by competition and mistrust that worked against an effective articulation of knowledge and funding for policy change (*ibid.*). In contrast, in the case of anti-corruption neither Bank staff or local actors saw each other's proposals as exclusionist options or conflicting paradigms.

On these bases, some officials within the Bank, in particular from the PREM and the WBI, strongly involved in governance topics, recognised that when a given paradigm enjoys local consent and does not rely on explicit forms of persuasion or coercive indoctrination in the process of loan negotiation, it is more likely to gain political legitimacy for the implementation of paradigms. As argued in Chapter Two, in order to enhance bases of local legitimacy, a process of amalgamation of local and World Bank ideas is needed, and therefore compromises among paradigms or collective images that World Bank and local groups form individually regarding certain issues.

But the change in incentives towards cooperation and exchange was recognised not only among the World Bank staff but also among local actors. Local experts reappraised the role of the World Bank in governance goals. That is, local experts and practitioners concerned with anti-corruption realised that the Bank is not an uniform institution and acknowledged that particular units and managers within the Bank were more inclined to combine knowledge and funds in pursuing policy and institutional reforms. Engaging in networking activities with World Bank managers, and participating in World Bank-sponsored knowledge activities could then be a vehicle to maximise their opportunities of visibility, legitimisation and influence in public policy. Ultimately, synergies for mutual learning between World Bank staff and local actors were based on a mutual need to improve anti-corruption policies at the local level. At the same, for the World Bank, and in particular for the PREM and the WBI, the amalgamation with local experts and expertise enhanced cumulative knowledge, setting the parameters for the type of beliefs, ideas, and world perceptions in the promotion of anti-corruption and governance programmes in general.

In this context, two projects were supported by the PREM and the WBI in Argentina, namely, an IDF Grant of US$ 410,000 approved in June 1999 to support the establishment of the Anti-corruption Office, and the Crystal Government Initiative, a technical assistance project aimed at enhancing transparency in public administration by disclosure of information. The Crystal Initiative was a component within a Bank-sponsored US$ 30,000,000 Modernisation of the State programme. As assessed by Smulovitz and Peruzzotti, these initiatives were pioneering instruments that promoted new forms of social accountability, developing as vertical, non-partisan mechanisms of civic control of public management and policy-makers, based on the proposals of civil society organisations (Smulovitz and Peruzzotti 2002). These initiatives also capitalised on the innovation and progress of information and communication technology for public administration. In turn, the support of the World Bank's PREM and WBI for the establishment of the Anti-corruption Office and the portal-based Crystal Government initiative helped to develop a system to monitor civil servants, policy-makers, politicians, and party candidates, and at the same time this opened new institutional channels through which to denounce illegal actions in policy affairs. These policies not only nurtured the cause of good governance but also helped to reduce the democratic deficit related to the lack of checks and balances in state institutions (*ibid.*).

As addressed in Chapter Three, although the local office gave new impetus to the involvement of civil society in Bank operations, consultation processes were particularly focused on issues of social programming such as maternal and child health and nutrition and education. The formulation of judicial reform and anti-corruption projects within the local office's activities were marginal. In November 1998, the then Resident Representative, Patricio Millán, and the NGO Liaison Officer Sandra Cesilini agreed with a consultative group, the NGO-Working Group formed that year for the monitoring of World Bank general policies and activities, to discuss on an 'informal' basis the Bank's programme agenda for the country based on the (already approved) CAS for Argentina (see http://www.gtongargentina.org.ar. 2 August 2005). The discussions were held in the Latin American Faculty of Social Sciences, FLACSO-Argentina (author's participation; see Cesilini 2003). This was the first time that such a meeting between the World Bank and civil society had taken place in Argentina. Yet, the discussions were based on policy notes extracted from contents of the CAS since some parts, mostly those related to structural adjustment and institutional reform remained 'confidential' (Senderowitsch and Cesilini 2000: 46; Cesilini 2003). A further round of consultation was conducted between March and June 2000 for the development of a new CAS. Background material was *produced* and *provided* by the Bank to academics and representatives from NGOs based on the World Bank's Economic and Social Work (ESW) and other operational documents.

Notwithstanding the relevance of these events supported by the World Bank's Resident Office, civil society participation differed from the exchange seen in the case of the PREM and the WBI for anti-corruption policies. That is, while the Resident Office fostered consultation and discussions with local beneficiaries and representatives of civil society organisations, the PREM and the WBI emphasised joint design and implementation of reform projects with local experts.

Anti-corruption Office Programme

The Anti-corruption Office Programme is a World Bank IDF grant of US$ 410.000, approved in June 1999, for the purpose of institutional strengthening. The Anti-corruption Office of Argentina was created by law N° 25.233 to enforce the provisions of the Inter-American Convention Against Corruption. The institutional design of the office reflected the basic structure of the Convention, which established pre-emptive as well as punitive policies (De Michele 2001). The main task of the Anti-corruption Office was to replace the old ONEP, created in 1997 by the administration of Menem (Decree 152/1997). The new institution was created to enforce the unfulfilled promises of its predecessor and thus to investigate suspected cases of corruption among public officials, as well as to develop anti-corruption policies (Ministerio de Justicia 2001).

The Anti-corruption Office's jurisdiction was designed to oversee actors and agencies managing public funds, such as the Executive, ministries and secretariats, public corporations and public or private institutions. Linn Hammergren, task manager from the PREM, supervised the Bank's IDF grant for the creation of this anti-corruption body. Disbursements of the grant were conditioned on the adoption of concrete and detailed plans aimed at institutional strengthening by the government of Argentina. The total disbursement was scheduled for two years, but an extension was granted to October 2003.

In an attempt to show independence and transparency in its undertakings, the Anti-corruption Office capitalised on the work of non party-affiliated experts, most of them from Poder Ciudadano, for the institutionalisation of policies and procedures such as norms regarding public disclosure of assets (Manzetti 2002). Moreover, Poder Ciudadano was also the source of most of the members who created and later staffed the Anti-corruption Office. For instance, Roberto de Michele, former President of Poder Ciudadano, was crucial in the establishment of the ACO and was its Director of the Department of Transparency Policies; similarly Roberto Saba, Poder Ciudadano's former Executive Director and Néstor Baragli, also members of Poder Ciudadano – the latter currently senior analyst within the ACO's Department of Transparency Policies –

participated in the design of anti-corruption policies. This point is, in fact, a major element in the shaping of the relationship with World Bank staff for anti-corruption policies in the country.

As local experts and practitioners were the predominant actors in the sector, and given that their motivation was based less on ideological or partisan ideologies than on civic rights, the World Bank task managers faced fewer constraints in involving this local expertise in the formulation of anti-corruption policies for Argentina. As highlighted by Baragli, 'design, negotiation and implementation of policies have had as interlocutors policy-makers that have no partisan affiliation but rather have been recruited to occupy positions within the Anti-Corruption Office based on their experience in previous participation in NGO campaigns and watchdog activities, in particular in Poder Ciudadano' (Baragli 2003: interview). In contrast to the judicial sector, actions taken in the area of anti-corruption were part of a generalised political will led by local experts and their knowledge rather than by a logic of corporate interests (Garrido 2003: interview).

The Prevention and Transparency Policies Department of the Anti-corruption Office made important improvements in terms of the transparency of the sworn statement of new government representatives. It also brought several cases of suspected corruption during Menem's administration (Raigorodsky 2003: interview; Colombo 2003: interview). To date, the policies that have been implemented by local experts with the support of the World Bank are:

- Implementation of a new electronic, internet-based, Financial Disclosure Forms (2000-2001);
- Diagnosis of Corruption in the National Public Administration (2000);
- Evaluation of financial disclosure forms (illicit enrichment and conflicts of interest) (2002-2004);
- Rulemaking processes for discussion of legislation on lobbies, whistleblower protection, public procurement and access to public information (2002-2004);
- Assets recovery research (2004);

- Corruption Risks Evaluation Map (2004);
- Editing of successful experiences reports (2003-2004);
- Implementation of IACC at sub national levels (2003-2004).

Although recognising that the anti-corruption effort in Argentina has still to be strengthened and that the institutional mechanisms of enforcement need to be intensified, particularly at the provincial level, significant progress has been made in the institutionalisation of control and prevention and to a lesser extent in the sanctioning of corruption. The ACO allows any citizen to make a claim of corruption to the Office for Investigation. If supported by preliminary evidence, the claim proceeds to the courts (Oficina Anti-Corrupción 2001). In 2000 alone, the Office filed 180 such cases' (Risley 2003: 8, footnote 23). As reported by De Michele, the level of compliance with new anti-corruption mechanisms such as the financial disclosure system was 89% in the six months January- June 2003. Likewise, De Michele reported that 481 cases were analysed and preventive measures were taken to avoid potential conflicts of interest in certain situations (De Michele 2004: 11-12; also Oficina Anti-Corrupción 2003).

The Crystal (*Cristal*) Initiative for Anti-corruption

The Crystal Government initiative is a component of an encompassing programme for the Modernisation of the State supported by the World Bank's Public Sector Group within the PREM. It is aimed at enhancing transparency in the use of public funds. Crystal Government is a portal managed by the National Office for Information Technologies (ONTI), situated in the Chief Office of the Cabinet under the Secretary of Public Administration. It is aimed at disclosing and disseminating information concerning the use of public funds in Argentina. It was launched in early 2000 to fulfil the mandate of the September 1999 Fiscal Responsibility Law (No 25.152), which required that the state make available to its citizens information related to the administration of public funds regarding, for instance the execution of budgets, purchase orders and public contracts, and staff financial and employment data (Razzotti 2003).

The Crystal Project was financed with resources from the Undersecretary of Public Administration (20%) and a World Bank loan (80%) supporting the National Plan for the Modernisation of the State (Loan BIRF No 4423-AR). This programme is managed by Ronald Myers, senior Public Sector Specialist from the PREM (Razzotti 2003: interview). The Modernisation of the State programme was, in fact, the result of a re-assignment of funds after a proposal by the government to re-direct the remaining funds from a previous project, the *Year 2000 Technical Assistance Project* (Gonzalez 2003: interview). 'Year 2000' was negotiated in 1998 to assist the government to contain the disruption in the country's social and economic infrastructure as a consequence of possible central government systems failures in processing dates properly after December 31 1999 (World Bank 1998c: 4). The restructuring of this project facilitated the creation of Crystal.

The Crystal Initiative is part of new innovative assistance within non-lending strategies promoted by the Bank within the e-government scheme (Panzardi 2004: interview; also World Bank 2001h). The portal includes information on:

- Execution of budgets
- Purchase orders and public contracts
- Payment orders submitted to the National Treasury
- Financial and employment data on permanent and contracted staff and those working for projects financed by multilateral organisations
- Account of the public debt
- Inventory of plant and equipment and financial investments
- Outstanding tax and customs obligations of Argentine companies and individuals
- Regulations governing the provision of public services (Panzardi *et al.* 2002)

The Crystal portal is organised into three thematic areas: (i) 'The State within Reach of All', which publishes information related to the distribution of funds between the national government and provinces; (ii) 'Goals and Results', which gathers information on all national policies, management-related issues and allocation of public funds; (iii) 'Accountability and Representatives', which gathers information related to the fight against corruption (Radics 2001).

According to Alejandro Razzotti, former general coordinator of the Bank-supported Modernisation of the State Project, the Crystal project represents the implementation of transparency and disclosure of public information that the Fiscal Responsibility Law considered as best practices (Razzotti 2003). The Crystal project 'became a self-sufficient body within the bureaucratic structure of the Undersecretary of Public Administration supervised by civil society organisations, such as Poder Ciudadano and CELS, among others (www.cristal.gov.ar. 16 February 2005).

Despite some limitations in terms of results, this particular 'e-government' project has been a flagship project within the World Bank's PREM promotion of anti-corruption (Panzardi 2004: interview). According to Razzotti, coordinator of the State Modernisation Project, the main limitation on the project's outcomes after Crystal was implemented was related to the lack of sustained political commitment to expand the reach and scope of the project (Razzotti 2003: interview). An additional contextual problem was related to the 'digital gap' and access to the Internet to monitor and hold accountable government information provided in the Crystal portal (Radics 2001). Nevertheless, Crystal is recognised as one major step in terms of public access to information on public sector management.

In effect, this e-application has become part of a new governmental procedure to increase access to information and to fight corruption. This procedure has also reinforced the work of local experts and practitioners who had previously been working on public information law in Argentina, namely Roberto Saba, Executive Director of the civil rights association, ADC, members of the environmentalist organisation, FARN, the CELS and the think-tank CIPPEC (Di Paola 2003: interview; Braun 2005: interview). Ultimately, the Bank supported policies and proposals that could not otherwise have been implemented if reliant on public funds, while at the same time it enhanced its paradigm of good governance and efficiency in public administration (Garrido 2003: interview).

Online disclosure of government information is not in itself enough to combat corruption, but the case of Crystal set an important precedent in institutionalisation of policies that enhance transparency to the Argentine state and public policy-making. Crystal represented a window of opportunity for the strengthening of citizens access to information and control of national policy practices. Thus, despite some claims that transparency mechanisms are not sufficient to solve the underlying causes of democratic defects, as explored by Tesoro, Crystal represents a step beyond normative declarations since it fosters a higher degree of public commitment (Tesoro 2003). It has been elaborated in a participatory way consistent with anti-corruption norms advocated and promoted by the ACO in Argentina.

THE BROKERAGE ROLE OF THE WORLD BANK IN ANTI-CORRUPTION

To analyse the role of the World Bank in the cases of anti-corruption presented in this chapter, and to assess the ways and extent to which the Bank acted as an effective 'norm-broker' in the articulation of pro-reform networks, there are three elements to consider: (i) the context in which Bank staff operated in the field; (ii) the extent to which financial and non-financial instruments promoted by Bank staff favoured joint efforts with local actors, namely, those that provide technical knowledge and those that have the power to implement it; (iii) the policy implications of combining knowledge(s) and funds for engagement with local actors in pro-reform networks for the implementation of programmes.

Contextual Considerations for the Brokerage Role of the World Bank

The initial political setting in terms of actors and proposals for reform in anti-corruption was significantly different from the political setting that shaped the path of judicial reform. Many features dictated a contrasting experience in the adoption of anti-corruption policies. First, a key difference was related to the nature of the reform programme. In the case of judicial reform the issue at stake was the reform of a long-established state institution. In contrast, the adoption of anti-corruption policies did not demand the modification of an established institution, but rather the identification and creation of policies that, once institutionalised, could serve as bases for further policy-making (De Michele 2003: interview). Anti-corruption policies aimed at auditing public funds as well as modifying and preventing the institutional incentives that allow the development of corrupt practices (Baragli 2003: interview).

As analysed in the previous chapter, the Argentine judicial system was shaped by a complex structure of social relations and divergent incentives and approaches that affected the prospects of the reform process. Although Argentina provided some of the most influential experts on judicial reform to other countries, reform in the domestic setting was affected by socio-political structures, conflicting systems of knowledge and a top-down model of intervention in which the World Bank subsumed local knowledge (and the participation of experts) to the disbursement of conditional funds as a means of transferring the Bank's frameworks (see Chapter Five). However, the implementation of anti-corruption policies in Argentina presented a different case; rather than conveying funds and policy paradigms, the Bank's managers from the PREM and officials from the WBI fostered common ground 'by supplying not *motivation* but perhaps resources to enable the doers to do what they were already self-motivated to do' (Ellerman 2001: 38). From this perspective, the PREM and the WBI created (rather than imposed) their own demand.

Thus, while in the case of judicial reform, linkages between local actors and World Bank staff were erratic and inconsistent, in the case of anti-corruption engagement with civil society organisations was a fundamental element in furthering anti-corruption policies. Together with local experts and NGOs, in particular Poder Ciudadano, the Public Sector Group within the PREM and the WBI designed operational tools and analytical work to put anti-corruption projects into practice. Furthermore, as acknowledged by De Michele and Santos, the World Bank's anti-corruption work in Argentina was mutually enhancing both for the informal 'epistemic-like community' and for the work of the PREM and the WBI. The latter, in particular, benefited from contributions and exchanges with national experts (for example, Luis Moreno Ocampo, founder of Poder Ciudadano and consultant of the WBI; Roberto de Michele, former member of Poder Ciudadano and then consultant of the WBI; and Manuel Garrido, also former member of Poder Ciudadano and co-author, together with De Michele and Victor Mazzolli) in the development and running of learning courses and training activities for other countries (see for instance, 'Improving Governance and Controlling Corruption', for learning programmes and materials, see http://www.worldbank.org/wbi/governance. 26 July 2004). Local experts were also involved as consultants for the PREM and the Institutional Integrity Department within the Bank (Colombo 2003: interview).

Empowering Local Expertise (and Local Experts)

Some actors emphasised that in the area of anti-corruption, World Bank-supported activities provided financial and non-financial resources that facilitated the implementation of a national agenda that previously lacked support and interlocutors from the government. In this context, although 'the anti-corruption problem' might be framed internationally, local actors were essentially the protagonists in terms of the definition of policies implemented at the national level of decision-making (Colombo 2003: interview; Baragli 2003: interview; Santos 2003: interview; Raigorodsky 2003: interview).

In order to create synergies and policy skills for reform management, working groups were formed involving World Bank staff and members of relevant agencies to allow the exchange of information and experience and to identify specific problems. In this context, De Michele claimed that when the World Bank arrived in the country with the anti-corruption agenda, it did not come ready to transfer a blueprint articulated within its operational units, but rather to identify strategies to be implemented in order to enhance transparency in public administration (De Michele 2003: interview). Rather than pre-conceived policies, the staff from the PREM and the WBI brought to the country data and toolkits as well as evidence-based knowledge and recommendations for public service reform. The local experts provided the experience, country-based knowledge and suggestions for public policy such as financial disclosure, monitor and control of assets, and systems to prevent conflict of interests (Santos 2003: interview).

Local expertise contributed a framework that served as a platform for the design of anti-corruption policies that later materialised in the ACO and the Crystal Initiative. This platform grew from the work of local experts and practitioners involved in previous advocacy activities and civil rights campaigns. Marcela Santos, a senior consultant in the Moreno Ocampo's think-tank, summarised this framework. According to her, all anti-corruption policies must seek: (i) access to information; (ii) expenditure monitoring; (iii) participation of civil society in supervising contract awards and procurement. 'If the Bank does not foster these elements, the experience is futile'. She added, 'the Bank does not impose these elements; on the contrary, local experts have influenced the Bank to accept this as factual conditions' (Santos 2003: interview)

The knowledge and financial support given to local experts enhanced their visibility and, in turn, their influence in respect of the government. The articulation of local and World Bank knowledge and funds helped to put local ideas into practice. The consensus achieved with local actors was also extended to broader networking as Bank staff helped to connect Argentine experts with experts in other countries for the exchange of experiences and know-how related to anti-corruption practices (Raigorodsky 2003: interview; De Michele 2003: interview). This conclusion also shows that for middle-income countries like Argentine, in which local expertise regarding public policy is highly developed, not only can Bank staff empower actors that can implement policies consistent with World Bank policies but more importantly, the more effective implementation of these policies helps the Bank to further policy diffusion. In this case, the 'home-grown' experience of anti-corruption showed how a national 'invention' may be articulated within the donors' agenda and be disseminated as innovative solutions elsewhere. Specifically, experts of the Argentine ACO have collaborated in the design of policies and mechanisms of transparency and training, such as declaration of assets of civil servants and public officials, in other Argentine provinces as well as in other countries, such as the Dominican Republic, Guatemala and Honduras (Raigorodsky 2004: 11).

Final Remarks on Networks and the Norm-Broker

Following the conceptual framework developed in Chapter Two, a development institution can act as a 'norm-broker' in the generation, dissemination and (or) institutionalisation of knowledge in the form of policy ideas and paradigms concerning development norms and procedures. It was argued that the World Bank is a *generator* of knowledge since it articulates and creates policy paradigms combining pre-existing and new knowledge around which practices are oriented. As a *disseminator*, it propagates policy ideas through different channels. And, as an *implementer* it utilises knowledge resources creating instruments (financial and non-financial) for policy change. From this perspective, it was also argued that the relevance of the norm-broker rests on its capacity to link (and close the gap) between the World Bank's policy frameworks and local knowledge by integrating local experts into the framing and implementation of policies. Networking activities with local actors is a fundamental means for this purpose (See Chapter Two)

This dynamic is not, however, a linear process. Policy reform is not always an expected outcome of the knowledge-related activities of norm-broker. Diffusion of knowledge does not itself make the difference. World Bank knowledge frameworks may encounter resistance from actors with equally intense interests in advancing an alternative political agenda and knowledge within the policy domain, or from stakeholders with different incentives. As shown in the cases of judicial reform and anti-corruption in Argentina, local actors adopt, transform or reject the knowledge received from the World Bank's agencies promoting reform programmes. Thus, the gap between knowledge that is codified within the Bank and knowledge articulated and conveyed by local actors and experts does not always find effective linkages and, in some cases, this gap inhibits the successful implementation of the Bank-supported programmes (see Chapter Five).

From this analysis it can be argued that to put ideas into practice, the articulation between global/World Bank best practices (codified knowledge) and context-based local knowledge (tacit knowledge) is critical. Hence, an effective 'norm-broker' not only disseminates knowledge, ideas and policy frameworks, but more importantly empowers the actors that can carry through changes in existing policies and institutions at the local level of implementation. The third aspect of norm-brokerage, *the implementation of knowledge*, has a direct effect on the outcomes produced in the knowledge/policy relation. In other words, while the generation and dissemination of knowledge by the World Bank reinforces the position of the Bank not only as a financial but also as a knowledge institution within global power relations, the implementation of knowledge at the domestic level facilitates those relations on the ground (Samoff and Stromquist 2001: 637-40). The implementation of knowledge is, in fact, reflected in institutions that 'serve to cement and to unify' World Bank and local ideas for further policy-making (Gramsci 1971: 328). Therefore, the role of the World Bank as an implementer of knowledge is related to the ways and extent to which the Bank staff can effectively combine material (funding) and non-material resources (knowledge resources) to engage in the activities of exchange with local actors that form the bases for policy-making and policy implementation in developing countries. Moreover, while 'generation' and 'dissemination' of knowledge *per se* imply a one-way direction in the relation between knowledge producers and knowledge users, the 'implementation' of knowledge actually affects resource allocation and policy change, thus changing the balance of power between the actors involved. Consequently, the building of consensus is a critical condition in the implementation of politically sensitive policies on the ground.

While judicial reform experience evidence of a case in which the World Bank's Legal Unit sought to transfer funding and knowledge following a 'donor-driven agenda', in the case of anti-corruption the PREM network and the WBI brought in local, 'tacit knowledge' for the framing of policies and their implementation. In summary, in the case of judicial reform the Bank acted as 'conveyor' of funds and paradigms, thus focusing on negotiation with the government and overlooking the role of local knowledge; thus the fate of reform implementation was limited by contending knowledge/policy. In contrast, the process of norm-brokerage in the case of anti-corruption was significant in articulating global/World Bank and local knowledge, and in establishing an effective pro-reform network, thus articulating a productive exchange between local experts, decision-makers and implementers.

CONCLUSION

This chapter showed that promoting national compliance with World Bank procedures and norms for the implementation of anti-corruption policies is not simply a matter of getting local incentives right by employing the coercive, disciplinary power of the lenders' leverage, but rather by working with local actors and integrating competing impulses (ideas, knowledge, policies beliefs) into a broader consensus to implement politically sensitive reform on the ground.

Consistent with the analysis of judicial reform offered in the previous chapter, the empirical evidence developed in this chapter reinforced the argument that the World Bank's knowledge and policy paradigms are not 'commodities' that can be simply codified and transferred from knowledge-producers to knowledge-users on the assumption that local actors are passive factors in the knowledge-policy process. On the contrary, the materialisation of knowledge into policies is a process that goes beyond the capacity of the Bank to transfer political-economic frameworks. This analysis also validates the claim that undertaking politically sensitive reforms, in which vested interests and opposing visions can challenge the path and depth of reform processes, 'needs champions or pro-reform actors that reproduce locally the policy advice of the World Bank' (Myers 2004: interview).

The contrasting experiences of the judicial reform and anti-corruption programmes in Argentina suggest that the capacity of the Bank to act as a norm-broker and to engage in pro-reform networks was not the same for the promotion of different governance-related reforms supported by the Bank. As argued in previous chapters, the World Bank is not a monolithic, uniform institution. Only some agencies within the World Bank Group have adopted the knowledge management activities associated with the production, dissemination and implementation of knowledge for the promotion of governance norms. Thus, the success of the World Bank in forging judicial reform and anti-corruption programmes has varied depending on the way and extent to which Bank staff sought either to 'transfer' or to 'broker' financial resources, best practices and local expertise to foster the implementation of such policies.

The empirical analysis of this thesis suggests that despite the influential role of the Bank in articulating policy paradigms and disseminating knowledge and funds for the crafting of reform programmes in developing countries, in practice, the transfer of knowledge proved insufficient to assure success in policy implementation. In other words, the leverage of the World Bank in forging certain political economic paradigms is to be seen not in the extent to which a policy programme is negotiated and approved by both government and World Bank officials, but rather by the success (or lack of it) with which those ideas are effectively implemented in institutions on the ground.

In the case of anti-corruption in Argentina, for instance, the World Bank staff turned from government agencies toward civil society experts as champions of the Bank's normative agenda of good governance. While not explicitly targeting political aspects of preventing corruption, but rather improving transparency in the public administration and modernisation of the state, World Bank support for anti-corruption policies based on local expertise were seen as having the collateral effect of curbing administrative discretion and reducing bureaucratic corruption. Capitalising on local knowledge also helped the Bank to broaden its bases of legitimacy not only to implement programmes in the national arena, but also in other countries. The nuance in approach also reflected an attempt to set aside long-established patterns of involvement that reproduced a logic of 'one size fits all' formulas in favour of a locally-owned approach entailing the active participation of local institutions, experts and civil society organisations.

The evidence relating to the implementation of governance-related reforms in Argentina, it is argued, provides new grounds for rethinking World Bank governance operations in developing countries. It also illustrates how the Bank understands state, market, and civil society relations. Arising from the present thesis, new practical questions about the extent to which the role of the Bank as a broker improves democratic policy-making, and the extent to which the role of the Bank as a broker articulating funds and knowledge helps to overcome the difficulties and challenges of the policy implementation process, are worthy of future research and exploration.

CHAPTER SEVEN

CONCLUSION

FOREWORD

The purpose of this thesis was to analyse the role of the World Bank in the promotion of new norms of development related to governance reforms in Argentina. The thesis built on the premise that politically sensitive reforms, such as judicial reform and anti-corruption, are entrenched in a complex policy process in which the dominance of a particular actor or paradigm *vis-à-vis* other contending actors or ideas is not reinforced simply by the coercive position of the lender over the borrower, but rather by its capacity to integrate contesting impulses into broader consensus for policy change. Thus, this thesis demonstrated that the power of the World Bank to implement governance-related reforms is closely related to its capacity act as a norm-broker by engaging in 'pro-reform networks' with local experts, articulating local and World Bank knowledge for the design and implementation of policy change. From this perspective, it was argued that policy change does not entail a one-way exercise of power and the imposition of paradigms, but rather amalgamation and compromise between the World Bank and local knowledge(s).

In light of this, empirical attention was focused on the ways different units within the World Bank engaged in the promotion of judicial reform and anti-corruption policies via financial and non-financial means in Argentina. The findings of these analyses showed that the role of the World Bank differed according to whether Bank staff acted either as a mere 'conveyor' of funds and knowledge or as a 'norm-broker' engaging with local experts and their expertise for the framing of governance programmes and their implementation.

The analysis of judicial reform and anti-corruption programmes in Argentina confirmed that despite the leverage of the World Bank as a financial institution and as a Knowledge Bank, it cannot implement its own programmes in developing countries. A project loan as well as its conditions may be discussed and negotiated with government officials, as the case of PROJUM for judicial reform illustrated, but the materialisation of projects into new institutions and policies is a complex process in which the interplay between Bank staff and local actors (beyond government officials) can favour or inhibit policy change.

This thesis also reinforces the importance of exploring country-specific accounts of power, knowledge and the stance adopted by the World Bank in the process of policy-making. Its emphasis on the implementation of knowledge grounded in institution and policy reform, as opposed to explanations of World Bank influence in terms of the transfer of knowledge and funds, provides new evidence of the relational character of power and underlines the importance of historical and contextual analysis in the understanding of policy outcomes.

This concluding chapter draws both theoretical and empirical conclusions. For this purpose, it is divided into three parts. The first part summarises the main arguments and conclusions based on the theoretical and empirical analysis developed in this study. It also discusses three gaps in the literature on international institutions and developing countries:

(i) the relation between power, knowledge, actors and policy processes

(ii) patterns of involvement of different World Bank units in governance reforms

(iii) the importance of networking and compromise with local experts (and expertise) to advance politically sensitive reforms.

The second part of the chapter discusses the contributions of this thesis to the field of International Relations and, in particular, to critical approaches in IPE. It also discusses the implications of this study for the investigation of other international organisations, of other developing countries and of other reform programmes. The third part closes this study by addressing unexplored issues and new questions for future research.

RECAPITULATING MAIN ARGUMENTS AND CONCLUSIONS

Through a theoretical and empirical analysis of the role of the World Bank in judicial reform and anti-corruption in Argentina, the thesis offered a political-economy understanding of policy implementation in which the World Bank only succeeds in achieving effective institutionalisation of reforms and policy change when it engages with local actors, in particular with local experts, in pro-reform networks. By analysing the different patterns of involvement of two Bank units involved in the promotion of governance-reforms, the Legal Department and the PREM network, this thesis identified knowledge/policy dynamics as a critical aspect of the policy-making process related to governance reforms.

The cases of judicial reform and anti-corruption programmes in Argentina illustrated how in some circumstances, as in the case of judicial reform, the Bank acted as a mere *conveyor* in the transfer of funds and knowledge, while in other circumstances, as in the case of anti-corruption, the Bank acted as a *broker* engaging with local experts for the design and implementation of policy and institutional reforms. In effect, the thesis contended that the capacity of the World Bank to advance governance reforms is not solely explained by the leverage of conditional loans, but rather by its capacity to act as a norm-broker engaging with local actors to gain their consent to advance politically sensitive reforms on the ground.

Accordingly, Chapter Two defined 'norm-broker' as the capacity of the Bank staff to: (i) *generate* norms of development based on the articulation of existing and new knowledge; (ii) *transfer* these norms via funds and knowledge-related activities to developing countries; (iii) *institutionalise* normative agendas and political-economic models articulating funds, knowledge and policy networks with local actors on the ground.

While the first two aspects of the brokerage role, the generation and dissemination of knowledge by the World Bank reinforce global power relations, the third aspect, the implementation of policy ideas, institutionalises new norms at a domestic level, which facilitates these relations. This dimension supposes a more direct impact produced on the knowledge-policy relation aimed at changing existing policies and institutions at the local level of implementation. As was explored in the study, the significance of the norm-broker goes beyond the mere transfer of knowledge in that it amalgamates World Bank paradigms with context-specific local knowledge. The relevance of the norm-broker rests on its capacity to integrate (and close the gap between) the World Bank's policy frameworks and local knowledge into policy design and implementation. Networking activities with local actors are a fundamental means for this purpose.

The distinction between the Bank acting as a mere conveyor of funds and knowledge or as a broker also supports the argument that the World Bank is not a monolithic, uniform institution, but rather one that encompasses differences and contradictions in terms of approaches to knowledge management, governance and engagement with local actors. Drawing on neo-Gramscian perspectives in IPE and actor-oriented models of policy-making the thesis validated three main arguments:

- The capacity of the World Bank to produce and diffuse knowledge on what constitutes good economic policy, in this case good governance, is a critical factor within the structure of power and global scope of the World Bank since it enhances the capacity of the Bank to frame issues and outline solutions. However, production and diffusion of knowledge are not sufficient elements to assure policy change.

- The implementation of politically sensitive reforms in developing countries is intimately associated with the capacity of the World Bank to mobilise financial and knowledge resources via pro-reform networks with local actors.

- The capacity of the World Bank to translate knowledge into instruments of policy reform depends on its capacity to act as a 'norm-broker', engaging with local actors for the implementation of policies on the ground.

In the choice of the concept 'broker' there is an implicit assumption that the role of the Bank is not that of a neutral, impartial facilitator of knowledge, but rather one of engagement with local experts for amalgamation and compromise on knowledge(s) and policy positions to reach broader consensus. The process of norm-brokerage is critical to articulate global/World Bank and local knowledge into pro-reform networks with local actors that drive through effective implementation of changes in politically sensitive areas of reform. These arguments are particularly relevant for a country like Argentina where there is a strong base of local experts politically involved in the design of reform programmes.

In terms of policy outcomes, this thesis also argued that the World Bank's power (financial or knowledge-related) does not establish linear and predictable relations of domination over borrowing countries. On the contrary, the thesis confirmed that power is a relational concept to be found not in a single repository but in different configurations of social relations in which the World Bank is one participant actor.

Drawing on these findings, five main conclusions may be outlined:

First, power in a context of politically sensitive reforms is not explained simply in terms of coercive force of international organisations influencing policies in developing countries. Furthermore, local actors are not passive recipients of funds and World Bank knowledge. They can actually take, contest, modify or reject Bank's proposals.

Second, the capacity of the World Bank to combine its economic leverage and ideological influence should be analysed by problematising not only power relations within the context of policy-making processes, but also in terms of the involvement of the World Bank in the policy-making of developing countries.

Third, the interplay between nationally and internationally-based actors is reinforced by different dynamics in which both knowledge and policy-making are contending terrains.

Fourth, if the World Bank is able to draw on both its financial and knowledge power to build and consolidate 'pro-reform networks' with domestic actors, it is more likely to ensure the implementation of new norms of governance policies in its client countries. On the other hand, attempting to 'transfer' policy paradigms and funds impedes consensus building for reform and thereby weakens the capacity of the World Bank to act as a 'norm-broker' in the promotion of governance-related norms.

Fifth, failure to compromise between World Bank knowledge and local expertise leads to an adverse correlation of power that inhibits the World Bank ability to implement politically sensitive reforms, despite government and World Bank approval.

These conclusions highlight three main areas of debate that have been little explored in the current the literature on the role of international institutions and developing countries: (i) power, knowledge, actors and policy processes in governance-related reform; (ii) patterns of involvement of World Bank units in governance reforms; (iii) networking with local actors to advance reforms. These aspects are discussed in the following subsections in light of the conclusions of the thesis.

Power, Knowledge, Actors and Policy Processes

Most of the existing critical analysis on the World Bank as a financial and knowledge institution has acknowledged the power of the Bank in *framing* the normative frameworks that justify the involvement of the Bank in new areas of reform according to the exigencies of the global political economy (see Sending 2004; McNeill 2004). From this perspective, as the review of the literature in Chapter Two suggests, some scholars have emphasised the 'ideological' role of the World Bank in articulating neo-liberal ideas that are hierarchically reproduced as dogmatic paradigms (George and Sabelli 1994; Williams and Young 1994; Mehta 2001; Wade 2002). Others have also argued that the World Bank's development of governance-related knowledge supports and facilitates its role in the global expansion of capitalism by framing 'common-sense' and collective ideas (Cox 1993; see Chapter Two, Parts Two and Three).

This thesis, however, moved one step further to demonstrate that the role of the World Bank, and its financial and ideological leverage, is mediated by power relations that affect the likelihood of implementation of policy change in developing countries. The analysis of judicial reform and anti-corruption programmes in Argentina, in effect, provided a framework to analyse the way in which the World Bank combines funds and knowledge, and to assess policy processes as multiple spaces of contestation in which competing interests, incentives, material and ideological capabilities affect policy outcomes.

In this context, it was concluded that the implementation of governance-related reforms is not simply the consequence of the dominant position of the World Bank and its perceived embrace of the interest of powerful states. Nor is implementation of reforms an uncontested process of norm-diffusion. The analysis of power, knowledge and policy processes offered in this study showed the complexities of political spaces in which ideas are produced, reproduced and transformed in the interplay between knowledge producers and knowledge users. It also showed that power/knowledge dynamics are part of a larger policy process in which contextual factors are critical (also Ferguson 1990 and Harrison 2004 for similar analysis on Africa).

For instance, in the case of anti-corruption, the World Bank was able to draw on its material and knowledge resources to consolidate pro-reform networks with local actors to institutionalise concrete reforms on the ground, such as the Anti-corruption Office, regulations for transparency in public administration and access to information, among other policies (Chapter Six, Part Two). In contrast, in the case of judicial reform, the World Bank was unable to ensure the materialisation of policies because the reform process was approached simply as a top-to-bottom dynamic of persuading the government to approve a pre-conceived reform agenda. In this case, World Bank knowledge encountered resistance and opposition, in particular from those local experts who had equally intense interests in advancing alternative political reforms and had been working on judicial reform programmes before the Bank mission arrived in the country. The frustrating results of judicial reform in this case clearly demonstrated that even government commitment to take up World Bank ideas is insufficient to assure the materialisation of the reform (see Chapter Five).

Ultimately, these findings crystallise the institutional and political context in which Bank-supported governance reforms are implemented in developing countries, and the importance of focusing on empirical explanation to identify actors, incentives and resources and knowledge-policy dynamics that either favour or inhibit the formation of pro-reform networks for the implementation of policy change on the ground.

Involvement of World Bank Units in Governance Reforms

The capacity of the World Bank to combine its economic leverage and ideological influence must be analysed not only in terms of power relations but also in terms of the modalities of its involvement in the policy of the developing countries. The ways and extent to which funding and knowledge were combined by the Legal Department, the PREM network and the WBI to advance reforms in Argentina confirms that the brokerage role to advance reforms has not been evenly adopted throughout the Bank.

From this perspective, as was argued, in some circumstances, as the experience of PROJUM demonstrated, Bank staff approached reform as a process of transfer of blueprints and 'best practices' via negotiating funded projects with the government, overlooking local expertise (and experts). In contrast, in other circumstances, such as in the case of anti-corruption, Bank staff engaged as a broker articulating World Bank norms and local expertise supporting the creation of the Anti-corruption Office and related policies designed by local experts (see Chapter Six, Part Four).

Development assistance in the case of judicial reform resembled a process in which knowledge (in the form of codified best practices mainly based on experience in other countries) was regarded as a commodity to be 'transferred' from the donor agency to a receptor country. In this case, loan approval prevailed as a rationale that secures agreement with key policy-makers rather than agreement with local experts for its implementation on the ground. But transfer of knowledge, and even the commitment on the part of government agencies to take that knowledge, has been confirmed as insufficient to assure success in the implementation of policies on the ground. In contrast, PREM and WBI staff engaged with local experts, articulating funds and knowledge for the institutionalisation of anti-corruption ideas. Capitalising on local knowledge helped to broaden its bases of legitimacy not only to implement programmes in the national arena but also in other countries.

The distinction between the World Bank as a mere conveyor of policy paradigms and a broker of knowledge and funds captured these differences as well as the tensions between local expertise, codified World Bank knowledge and the way in which politics operate on the ground. This is particularly relevant for further research on the influence of the World Bank in governance-related aid assistance in other sectors and other countries.

Networking with Local Actors for Governance Reforms

The analysis developed in this thesis indicates that within the Bank both the normative agenda of governance and knowledge management are still contending areas (see Chapters One and Three). In an attempt to create a consensus for policy change, Bank staff engaged with certain actors and thus enforced power relations that in some cases facilitated the negotiation and approval of politically sensitive reforms but nevertheless limited the implementation of policy and institutional change within the domestic context.

The governance reforms analysed in the case of Argentina suggest that the role of the Bank is inherently linked to how Bank staff understand state, market and civil society relations. For instance, from the point of view of World Bank staff, either the state is considered as a complex relationship between the government (the Executive and the judiciary for instance) and local actors (civil society practitioners, local experts, academics), or it is considered as a technical, apolitical instrument that institutionalises norms and procedures. In the experience of anti-corruption in Argentina, the World Bank staff acknowledged reform as a process of amalgamation and compromise between a variety of actors' interests and knowledge-based proposals for reform. In the case of judicial reform, policy change was expected to be the result of an efficient, cost-benefit decision negotiated between the Bank management and the government. In this context, while staff from the PREM and the WBI improved the environment for reform by engaging with local actors in networking activities and enhanced the support and capacity of civil society experts to lead reform implementation in the area of anti-corruption, in the case of judicial reform the Bank's Legal Department empowered the government's agenda to advance the reform following a top-down model that, although reaching agreement at the official level for project approval, in fact not only hampered the implementation of the reform, but also led to increasing discredit of the project and the Bank's role.

In practice, both the Bank staff as donor and the local government as recipient have incentives that affect the reform process. From this perspective, contesting ideas supported by local experts can be highly political and thus task managers may be more inclined to act without local experts in the design and implementation of programmes since they may endanger the transfer of resources, that can be part of the criteria for staff performance evaluation. From the point of view of the government, as illustrated in the case of judicial reform, the World Bank's apolitical stance caused the Argentine government to find a less controversial ally in the World Bank's programme than in the local proposals (see Chapter Five). In addition, the approval of apolitical, technical loans gave useful signals in response to the uncertainties of private investors without changing the *status quo*. Nonetheless, the experience of judicial reform shows that, despite the approval of the Bank-sponsored Model Court/PROJUM project, reforming an established institution like the judiciary with restricted participation is difficult to achieve. The PROJUM attempt failed as the Bank was not able to broker deals with local actors for the effective implementation of the reform, in particular with those local experts within the Ministry of Justice, and lawyers and judges from the courts selected to be reformed, that are the implementers of policies. Not only have efforts under the Model Court not produced concrete results, but also the project Reform of Justice, under preparation and awaiting approval date by the Board of the Bank, was cancelled in light of the difficulties experienced with PROJUM (*ibid.*).

From the point of view of local experts, while in the case of judicial reform local experts considered the World Bank's knowledge and proposals as competitive and antagonistic, in the case of anti-corruption, in contrast, they seized the fact that some units and Bank managers were more inclined to engage in networking activities to capitalise on local expertise in framing the course of World Bank-sponsored anti-corruption programmes.

In summary, this research suggests that different patterns of implementation of governance-related programmes promoted by the World Bank can affect the 'balance of power' between actors involved in policy reform processes as well as the politics and policies in the domestic arena of borrowing countries. The next section builds on these conclusions and discusses the implications of this research for the analysis of international organisations and of their involvement in policy-making in developing countries.

CONTRIBUTIONS AND IMPLICATIONS OF THIS RESEARCH

The present analysis of the role of the World Bank in Argentina's governance reforms contributes to the study of International Relations, in particular to critical approaches in IPE. By drawing lessons from the case of judicial reform and anti-corruption in Argentina, the thesis offers evidence on modalities of implementation of politically sensitive reform programmes promoted by international financial institutions in developing countries. Based on neo-Gramscian notions of power lying on a particular configuration of material, ideological and social forces, the thesis emphasised the importance of power of local actors, in particular local experts, for the legitimisation and materialisation of political projects on the ground. The analysis of judicial reform and anti-corruption programmes in Argentina proved that the exchange and articulation of local knowledge models and World Bank policy priorities are critical for the materialisation of policy change.

From this perspective, the thesis offers three main contributions to the field of international studies in general, and to the analysis of international organisations and policy change in developing countries in particular.

The first contribution is related to the theoretical framework developed in this thesis. As little other work has done, this study combined neo-Gramscian perspectives and actor-oriented models of policy-making, in particular the concept of policy networks. In doing so, it brought the nature of World Bank intervention in the reform of areas of governance to the centre of the analysis and contextualised an analysis in which power was not related to the coercive nature of the relations of the Bank with local actors, but rather to the capacity of the Bank to develop a pro-reform network on the ground.

This framework, therefore, complemented two main lines of literature; Neo-Gramscian perspectives in IPE and actor-oriented models within the study of public policy and policy-making. It did so by compensating for the limitations of early writing in public policy literature that overlooked the nature of power relations and sources of domination, assuming almost 'mimetic' rational models of policy transfer of ideas, policy models and institutions from one place to another. But it also extended the scope of structural analysis in IPE that has often brushed aside empirical analysis on micro-level relations and with it the production and diffusion of knowledge as a centrepiece in power relations and policy change (see Chapter Two, in particular Part One, Three and Four). Hence, the country-case study and the empirical analysis of judicial reform and anti-corruption programmes in Argentina help to close the gap between macro and micro levels of analysis and emphasises the importance of power analysis understood in terms of policy processes, in which the interplay of actors' ideas, interests, incentives and agendas define policy outcomes.

Within this framework, the thesis departed from traditional studies of world politics that have generally tended to identify relations between developing countries' governments and international financial institutions as solely determined by the financial leverage of the latter. Furthermore, it departed from models of social change that overemphasise one-resource power determinism and a one-linear way of power exercise (see for instance, Krasner 1983; Gilpin 1987; Mearsheimer 1994, Payer 1982; Wade 2002, also Chapter Two, Part Two). The empirical work presented here showed that the role of the Bank in advancing politically sensitive reforms in developing countries depends upon its capacity to engage in pro-reform networks with local actors.

This framework also contributes to the analysis of knowledge-policy dynamics as it offers a background that focuses on the power of local knowledge to contest, adjust, modify or reject external (dominant) ideas. The findings showed the importance of analysing local expertise (and experts) in the interplay of knowledge and policy implementation. As the case of governance reforms in Argentina demonstrated, it is analytically misguided to assume that local actors simply agree or consent, or are coerced or co-opted by external development or financial agencies. This is one of the main critiques made in this thesis of existing literature in International Relations and IPE. The approach adopted in this thesis toward knowledge-power relations highlights the importance of historical and contextual bases of analysis in the understanding of knowledge-power as scenarios of cooperation and resistance. Moreover, understanding this allows us to move from the analysis of knowledge, funds and networks for the implementation of governance-related reforms in Argentina, to other reform programmes promoted in other policy contexts, and in other developing countries.

The second contribution of this thesis expands on key dimensions related to power and legitimacy for further analysis of the interplay between state, civil society actors and World Bank staff. The literature review offered in Chapter Two pointed out the limitations of current analyses that overlook the complexities of the relations between donors and borrowing countries. By refocusing on the power, knowledge and policy processes of implementation, a new approach is proposed to analyse how World Bank staff understand state and civil society relations in the political economy of development assistance. Hence, this research assumes that any analysis of development assistance should consider the extent to which the World Bank empowers certain actors and thus affects power relations among groups in the policy process.

In addressing these issues, another major flaw in the existing literature on the World Bank, including that produced within its research units, is exposed by this thesis. That is, many studies have focused on the Bank's operational agenda and its normative objectives, and thus implementation was explored in light of results and compliance. Yet the incentives of different units and task managers within the Bank and the implications of their approach to reform and intervention in supporting governance programmes on the ground were largely ignored. Similarly, the World Bank has generally been considered to be a uniform institution, pursuing one agenda and having one *modus operandi.*

Relatedly, the third contribution of this thesis is associated with the identification of specific functions of World Bank units that either act as a 'norm-broker' or simply as a conveyor of funds and knowledge in the transfer of policy paradigms. Depicting the role of Bank units in terms of knowledge diffusion and implementation to advance policy reform in developing countries is an important contribution to the study of international organisations in general because production and diffusion of knowledge, as a critical aspect of power and global scope, still remains underexplored. The empirical cases analysed in this thesis demonstrated the importance of putting into context the influence of the knowledge and funds conveyed by the World Bank in the effective implementation of development assistance programmes. The difference between acting as a broker and mere conveyor of funds and knowledge conceptualises a pattern in development assistance that has been largely ignored in the study of international institutions and developing countries. In effect, there is a general tendency in the literature on the World Bank to refer to it as a monolithic actor without disaggregating the ways of involvement of different agencies in knowledge and policy reforms. By depicting different modalities of intervention of different units within the Bank, and their different approach to local actors, this thesis provides new grounds for the analysis of the complexity of the power structure operating in international organisations as well as the political-economy of governance reforms in developing countries.

Implications for the Study of International Organisations, Developing Countries and Reform Programmes

The findings and contributions of this thesis have important implications for the study of other international organisations, other developing countries and other reform programmes. In terms of the study of other international organisations, the theoretical and empirical findings of this research can provide the framework to understand other financial institutions and policy actors that influence the thrust of economic and social policies in developing countries.

As argued in Chapter Two, investigating the World Bank as a pro-active participant advancing new norms of development via financial and non-financial activities provides the building blocks for the analysis of policy planning and implementation of development programmes by (i) other international organisations and agencies, such as UN specialised agencies; (ii) other regional and bilateral development agencies, such as USAID, DfID, NORAD, IDRC; (iii) NGOs and foundations which knowledge and financial resources are assets reinforcing their involvement in developing countries, for instance Rockefeller, Ford or Carnegie (see Chapter Two, Part Four). This is particularly relevant since bilateral agencies such as DfID, JICA, and the German Agency for Technical Cooperation are being addressed by scholars as 'knowledge-based development institutions' (see King and McGrath 2004). This is even more the case since existing literature on 'knowledge-based development institutions' is mainly focused on knowledge transfer as the main factor in inducing policy reform, leaving unanswered questions related to policy processes and the contradictions of 'apolitical', 'technical' organisations that empower certain actors to advance policy change in domestic policy arenas (see Chapter Two, Part Two for a critical review of this literature).

The findings of this thesis also have implications for the analysis of power, knowledge and governance reforms in developing countries other than Argentina. In effect, this research highlighted the significance of context-based analysis to understand power and policy change involving external actors, and to identify cases in which knowledge constitutes a contending element of power. For instance, in contrast to the experience in Argentina, in different contexts, such as in highly indebted countries of Latin America and Africa, knowledge might be less a contending element of power while the urgency for funds may confer more power on the lenders not only to determine development strategies but also to assure their implementation. Of course, other political and institutional aspects within the context of these countries may impede the implementation of policies, and the role of the World Bank and other donor institutions may in these cases differ from the experience in middle-income countries, like Argentina.

Finally, the analysis of governance-related reforms in Argentina has important implications for the analysis of other reform programmes promoted by international institutions. The different patterns of implementation in the cases of judicial reform and anti-corruption programmes in Argentina suggest the importance of analysing the nature of the reform programmes in light of the extent to which they attempt to modify existing state institutions or to create new ones, and of the ways material and non-material aspects of power relations among actors allow the formation of pro-reform networks to advance policy change. This is particularly relevant in analysing how local and externally-based actors interact in the course of the design, negotiation and implementation of other reform programmes, and hence, to an understanding of the dynamics between knowledge, funds and power of actors in other contexts. This thesis showed the importance of going beyond deterministic understandings that attribute particular roles and particular power weight to certain actors and the need to rethink the articulation of knowledge, funds and power as foundations of a complex policy process that shapes development policies in developing countries.

UNEXPLORED ISSUES AND FUTURE RESARCH AGENDA

This thesis raised and explored questions concerned with the role and power of the World Bank in the promotion of new governance norms for development, policy-making as spaces in which knowledge, funds and power unfold, and the interplay of actors in the process of implementation of politically sensitive reforms.

Within the field of International Studies, much has been written on knowledge and norm-diffusion but, as the thesis claimed, this literature has left unexplored country-specific analysis and, therefore, has disassociated knowledge from policy processes (see Chapter Two for literature review). In an attempt to fill this gap, this thesis analysed the role of the World Bank not only in the generation and diffusion of knowledge but also in the implementation of policy and institutional reforms. The empirical analysis in the cases of judicial reform and anti-corruption programmes in Argentina, placed significance on the role of the Bank as a norm-broker and on the dynamics of amalgamation and compromises between local and World Bank paradigms. At the same time, it reinforced the relevance of country-specific accounts of power, knowledge and policy-making to the analysis of the role of the World Bank. As was earlier suggested, the emphasis on the implementation phase and its results in terms of policy outcomes helped to put in historical and contextual perspective the power of the World Bank as a conveyor of funds and knowledge.

The scope of this thesis was, however, limited intentionally to the analysis of two governance-related areas in only one developing country, namely, judicial reform and anti-corruption in Argentina. As Argentina is a distinctive country-case study in that it is characterised by high levels of expertise that traditionally interacted and informed policy-making in different areas of authority, the relation of knowledge, power and policy change involving external lenders and development agencies could be extended to other countries with different contextual characteristics. For instance, World Bank intervention and the dynamics of the policy process in other countries that are highly dependent on external funds may explain patterns of knowledge-policy and consensus-crafting in a different way to that identified in the analysis of Argentina's governance reform. Therefore, a cross-country examination of the involvement of the PREM, WBI and Legal Department in governance-related reforms may help to better understand the relationship between Bank/global knowledge and local expertise in the implementation of reform programmes. In view of this, this thesis raises important questions for further studies of the World Bank. For instance, is it articulation, amalgamation and compromise between contending knowledge(s) that leads to the formation of pro-reform networks – or simply ideological convergence? What was the experience of different units of the Bank in terms of transfer or brokerage of funds and knowledge in other governance areas and in other countries? Further validation of the conclusions of this thesis regarding the ways funds, knowledge – both conveyed by local actors and codified by the World Bank – and actors interact in the implementation of governance reforms in developing countries might be undertaken in countries where *indebtedness* is an important contextual factor.

Similarly, countries like Argentina exhibit a strong base of local experts, policy think-tanks, consultancy, academic and pressure groups involved in policy proposals prior to the arrival of the World Bank in the country. In this context, the dynamism in the knowledge-policy relation varied as the Bank acted with or without local experts and their expertise. Yet, findings and conclusions in the cases of judicial reform and anti-corruption in Argentina require scrutiny in other policy areas of reform and in other countries. Contextual explanatory variables applied in other policy spaces can enhance, prove or adjust the arguments presented in this thesis in relation to power, knowledge, actors and policy processes and outcomes.

A second question for further research raised in this thesis refers to the need for a more profound discussion about the political implications of programme implementation in democratic policy-making. That is, as demonstrated empirically in the present study, the involvement of the World Bank, like any other donor, does in fact affect the institutional and political context in which local actors define and resolve political interests. Moreover, it was argued that by conveying funds and policy ideas the World Bank can empower and legitimise certain actors while dis-empowering others. To what extent has the Bank's empowering of actors (by supporting the governments agenda, or by engaging with local actors in networking activities) improved or jeopardised democratic policy-making? Does the role of the Bank as a mere conveyor in the transfer of funds and knowledge promote secretive, discretionary, anti-democratic patterns of policy-making? Does the role of broker imply an effective bridge between research and policy that directly enhances democratic policy-making? Again, due to the scope and focus of this thesis, the political games that can in turn increase or reduce democratic deficits among local actors were not explored.

Finally, the time frame of this analysis covered the period from 1990s to the beginning of the 2000s. This was a period in which governance and knowledge management defined the rationale of the World Bank under the administration of James Wolfensohn as president of the institution. Further analysis is still to be done as the most recent change of direction in the Bank's presidency was coloured by the nomination of Paul Wolfowitz as the new head of the institution. Governance and knowledge management in Mr Wolfowitz's era may emphasise or de-emphasise consensus-crafting with local-based experts. Moreover, it will be interesting to look at the fate of the WBI and its knowledge-related activities. In the case of Argentina, the timeframe covered the presidencies of Carlos Menem and Fernando De la Rúa. Thus, despite some initial analysis, this thesis inevitably left unexplored emerging patterns of policy action, social change and development assistance following the economic and political crisis of December 2001.

This concluding chapter poses new questions and concerns for further research. It also raises important issues relating to the policy processes of the international development agenda. The experiences of judicial reform and anti-corruption in Argentina suggest that networking activities, financial support for development and enhancing local expertise can help to strengthen local ownership and to broaden the spectrum of policy choices at the same time as reinforcing political commitment for long-term reform.

LIST OF INTERVIEWS

Abramovich, Victor. Centre of Legal and Social Studies, Argentina. (CELS). Executive Director. Interview: 10 December 2003; Personal communication: 18 June 2004.

Acuña Alfaro, Jairo. World Bank Institute. Governance, Finance and Regulation. Consultant. Interview: 27 February 2002.

Alvarez, Gladys. Libra Foundation, Argentina. President of Advisory Council. World Bank Consultant for issues of Alternative Dispute Resolution. Interview: 10 December 2003.

Baragli, Nestor. Anti-corruption Office, Argentina. Department of Investigations. Interview: 10 December 2003.

Biebesheimer, Cristina. Inter.-American Development Bank. State, Governance and Civil Society Division. Senior Specialist. Interview: 21 May 2004

Bohmer, Martin. University of Palermo, Argentina. Dean of Law School. Personal communication: 19 January 2004.

Braun, Miguel. Centre for the Implementation of Public Policies promoting Equity and Growth, Argentina (CIPPEC) Director. Interview: 23 January 2005.

Brenna, Ramon. ARGENJUS, Argentina. Mesa de Diálogo para la Reforma de la Justicia. Chair. Interview: 9 December 2003.

Budkin, Yanina. World Bank. Regional Office, Buenos Aires. Information and Public Relations Official. Personal communication: 12 April 2005.

Campos, Ed. World Bank. Public Sector Group/ PREM Network. Programme Manager and leader of Thematic Group on Anti-corruption. Interview: 20 May 2004.

Castagnino, Ernesto. Inter-American Development Bank. State Governance and Civil Society Division. Senior Specialist. Interview: 22 February 2002.

Chayer, Hector. Forum for the Study of Justice Administration, Argentina (FORES). Director. Interview: 1 December 2003.

Colombo, Marcelo. Anticorruption Office, Argentina. Department of Investigation. Interview: 3 December 2003.

Dakolias, Maria. World Bank. Legal and Judicial Reform Practice Group. Legal Vice Presidency. PROJUM. Task Manager. Interview: 18 May 2004.

De Michele, Roberto. Anti-Corruption Office, Argentina. Former Secretary. Former member of Poder Ciudadano. Interview: 26 December 2003.

Diaz, Elisabeth. UNDP. Regional Project on Democratic Dialogue. Governance Programme. Interview: 25 May 2004.

DiPaola, Maria. Environment and Natural Resources Foundation, Argentina (FARN). Research and Capacity Building. Director. Interview: 12 December 2003.

Eriksonn, John. World Bank. Lead Member of CDF Evaluation Secretariat. Interview: 28 February 2002.

Franche, Jean-Marc. UNDP. Regional Project on Democratic Dialogue. Governance Programme. Interview: 25 May 2004

Garavano, German. Ministry of Justice, Argentina. National Plan of Judicial Reform. Director. Interview: 20 November 2003.

Garrido, Manuel. Anti-corruption Office, Argentina. Department of Investigation. Former Prosecutor. Interview: 4 December 2003.

Giarone, Daniel. Argentine Judicial Federation, Argentina. Legal Correspondent. Interview: 25 November 2003.

Gonzâlez de Asís, María. World Bank Institute. Governance, Finance and Regulation. Senior Public Sector Management Specialist. Interview: 20 May 2004.

Gonzalez, Karina. Modernisation of the State Project (BIRF Loan 4423-AR). Undersecretariat of Public Administration, Argentina. Contracts and Acquisitions Coordinator. Interview: 9 December 2003.

Graña, Eduardo. Judicial Council, Argentina. Academic Director of the Judicial School. Interview: 24 November 2003.

Gray, Cheryl. World Bank. Public Sector Group. PREM. Director. Interview: 27 February 2002.

Gray, David. World Bank. Global Development Learning Network. Regional Coordinator. Interview: 19 May 2004.

Gregorio, Carlos. Instituto de Investigaci6n para la Justicia, Argentina. World Bank Consultant. Interview: 27 November 2003.

Gruenberg, Christian. Poder Ciudadano, Argentina. Monitoring Programme for Financing of Election Campaigns. Former Director. Personal communication. 15 February 2004

Hägerström, Mark. World Bank. Latin American Regional Office. Head of Operations. Interview: 25 February 2002.

Hammergren, Linn. World Bank. PREM. Senior Public Sector Manager. Latin America and the Caribbean. Task Manager for Anti-Corruption Support Programme in Argentina. Interview: 17 May 2004.

Jarquin, Eduardo. Inter-American Development Bank. State Governance and Civil Society Division. Chief. Interview: 22 February 2002.

Kaufmann, Daniel. The World Bank Institute. Governance, Finance and Regulatory Reform Group. Director. Interview: 25 February 2002.

Kpundeh, Sahr. World Bank Institute. Governance and Anti-Corruption team. Senior Public Sector Management Specialist. Interview: 19 May 2004.

Laporte, Bruno. World Bank Institute. Knowledge and Learning Services. Senior Manager. Interview: 20 May 2004.

Lichtmajer, Moises. PROJUM, Argentina. Executive Director. Interview: 16 December 2003.

Lynch, Horacio. Legal Consultant, Argentina. Former President of FORES (1976-1996). Interview: 25 November 2003.

Malik, Waleed. World Bank. Latin America and the Caribbean Region. Public Sector Management Specialist. Interview: 18 May 2004.

Manning, Nick. World Bank. Public Sector Group/ PREM Network. Senior Public Sector Management Specialist. Interview: 19 May 2004.

March, Carlos. Poder Ciudadano Foundation, Argentina. Executive Director. Interview: 2 December 2003.

Maria Palma, Luis. Ministry of Justice, Argentina. Integral Programme of Judicial Reform. Senior Advisor. Interview: 20 November 2003.

Mason, Jocelyn. UNDP. Bureau for Development Policy. Governance Programme. Public Administration Restructuring and Civil Service Reform Adviser. Interview: 25 May 2004.

May, Ernesto. World Bank. PREM. Latin America and the Caribbean Region. Director. Interview: 26 February 2002.

Mazzinghi, Jorge. Forum for the Study of Justice Administration, Argentina (FORES). President Interview: 1 December 2003

Messick, Rick. World Bank. Public Sector Group. Co-coordinator of the Legal Institutions Thematic Group. Senior Public Sector Specialist. Interview: 17 May 2004.

Myers, Ronald. World Bank. Public Sector Governance Board. Modernisation of the State Project (BIRF Loan 4423-AR). Task Manager. Interview: 18 May 2004.

Otamendi, Santiago. Ministry of Justice, Argentina. Integral Programme of Judicial Reform. Advisor. Interview: 24 November 2003.

Panzardi, Roberto. World Bank. PREM- Latin America and the Caribbean. Senior Public Sector Management Specialist. Interview: 20 May 2004

Parel, Chris. World Bank. Latin American and the Caribbean Region. Senior Country Officer/ Task Manager. Interview: 22 February 2002.

Raigorodsky, Nicolas. Anticorruption Office, Argentina. Bureau of Transparency Policies. Director. Interview: 2 December 2003

Razzotti, Alejandro. Modernisation of the State Project (BIRF Loan 4423-AR). Undersecretariat of Public Administration, Argentina. General Coordinator. Interview: 9 December 2003.

Reinikka, Ritva. World Bank. Development Economic Research Group. Interview: 20 May 2004.

Rouillon, Adolfo. World Bank. Insolvency Specialist. Finance, Private Sector and Infrastructure. Legal Department. Interview: 20 may 2004.

Saba, Roberto. Civil Rights Association, Argentina (ADC). Executive Director. Interview: 18 December 2003.

Santos, Marcela. Wortman Cofre-Isola, Argentina. Legal Consultant. Former member of Poder Ciudadano. Interview: 17 December 2003.

Sarris, Michael. World Bank Institute. Regional Knowledge and Learning. Director. Interview: 28 February 2002.

Simari, Virginia. Former Executive Director of PROJUM, Argentina. Interview: 4 December 2003.

Squire, Lyn. Global Development Network. Director. Former Director DECRG. Interview: 20 May 2004.

REFERENCES

Abeles, Martín, Karina Forcinito and Martin Schorr (2001) *El Oligopolio Telefónico Argentino frente a la Liberalización del Mercado*. Buenos Aires: Universidad Nacional de Quilmes.

Abramovich, Victor (n/d) *Social Protection Clauses in World Bank Structural Adjustment Loans: The Case of the Garden Program Nutrition Plan (Pro-Huerta)*. File with author.

Acuña, Carlos H. (1995) 'Politics and Economics in the Argentina of the Nineties', in Smith, William C. and Eduardo A. Gamarra (Eds). *Democracy, Markets and Structural Reform*. Florida: North-South Center Press. 17-66.

Acuña, Carlos H. and Gabriela Alonso (2003) 'La Reforma Judicial y la Participación de la Sociedad Civil', in Tussie, Diana and Mercedes Botto (Eds.) *El ALCA y las Cumbres de las Américas: Una Nueva Relación Público-Privada?*. Buenos Aires: Biblos. 125-144.

Acuña, Carlos H. and William C. Smith (1994) 'The Political Economy of Structural Adjustment: The Logic and of Support and Opposition to Neoliberal Reforms', in Smith, William C., Carlos H. Acuña and Eduardo A. Gamarra (Eds.) *Latin American Political Economy in the Age of Neoliberal Reform*. New Brunswick, N.J.: Transaction Publishers. 17-66.

Aguilar, Mario, Jit Gill and Livio Pino (2000) *Preventing Fraud and Corruption in World Bank Projects: A Guide for Staff*. Washington D.C.: World Bank.

Asselin, Robert (1996) *Experiencias Recientes en el Desarrollo de Coaliciones para Promover Reforma Judicial*. Banco Interamericano de Desarrollo. Available at http://www.iadb.org/sds/doc/sgc-Doc40-1-S.pdf. Retrieved 15 May 2004.

Axelrod, Robert (1984) *The Evolution of Cooperation*. New York: Basic Books.

Babb, Sarah (2001) *Managing Mexico: Economists from Nationalism to Neoliberalism*. Princeton: Princeton University Press.

Baldwin, David (Ed.) (1993) *Neorealism and Neoliberalism. The Contemporary Debate*. Columbia University Press.

Bambaci, Juliana, Tamara Saront and Mariano Tommasi (2002) 'The Political Economy of Economic Reforms in Argentina'. *Journal of Policy Reform*. Vol. 5. No. 2. 75-88.

Barnett, Michael and Martha Finnemore (1999) 'The Politics, Power and Pathologies of International Organizations'. *International Organization*, Vol. 53, No. 4. 699-732.

Bebbington, Anthony, Scott Guggenheim, Elizabeth Olson and Michael Woolcock (2004) 'Exploring Social Capital Debates at the World Bank'. *Journal of Development Studies*, Vol. 40, No. 5. 33-64.

Bello, Walden (1999) *Dark Victory: The United States and Global Poverty*. London/Amsterdam: Pluto Press.

Berger, Mark and Mark Beeson (1998) 'Lineages of liberalism and Miracles of Modernisation: The World Bank, East Asia and International Development'. *Third World Quarterly*, Vol. 19, No. 3. 487-504.

Bieler, Andreas and Adam D. Morton (2001) 'The Gordian Knot Of Agency-Structure In International Relations: A Neo-Gramscian Perspective'. *European Journal of International Relations*, Vol. 7, No. 1. 5-35.

Bieler, Andreas and Adam D. Morton (2003) 'Theoretical and Methodological Challenges of Neo-Gramscian Perspectives in International Political Economy'. *International Gramsci Society Online*. Available at http://www.italnet.nd.edu/gramsci/resources/online_articles/articles/bieler_morton.shtml. Retrieved 12 August 2003.

Bill Chavez, Rebecca (2004) 'The Evolution of Judicial Autonomy in Argentina: Establishing the Rule of Law in an Ultrapresidential System'. *Journal of Latin American Studies*, Vol. 36, No. 3. 451-478.

Birdsall, Nancy (2000) 'The World Bank of The Future: Victim, Villain, Global Credit Union?'. *The Brown Journal of World Affairs*, Vol. 7, No. 2. 119-127.

Birdsall, Nancy (2001) 'Multilateral Development Banks in a Changing Global Economy'. *Economic Perspectives. Electronic Journal of the U.S. Department of State*, Vol. 6, No. 1, February. Available at http://usinfo.state.gov/journals/ites/0201/ijee/ifis-birdsall.htm. Retrieved 14 May 2002.

Birdsall, Nancy and Graham Carol (2000) *New Markets, New Opportunities? Economic and Social Mobility in a Changing World.* Washington, D.C.: Bookings Institution Press.

Blair, Harry and Gary Hansen (1994) *Weighing in on the Scales of Justice. Strategic Approaches for Donor-Supported Rule of Law Programs.* USAID. Available at http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/pnaax280.pdf. Retrieved 12 August 2003.

Bøas, Morten and Desmond McNeill (2004) 'Ideas and Institutions: Who is Framing What?', in Bøas, Morten and Desmond McNeill (Eds.) *Global Institutions and Development: Framing the World?.* London and New York: Routledge. 206-224.

Boeningher, Edgardo (1992) *Governance and Development: Issues and Constraints.* The World Bank Proceedings of the World Bank Annual Conference on Development Economics 1991.Washington D.C.: World Bank.

Bohmer, Martin (2004) *Igualadores Retóricos: Las Profesiones del Derecho y la Reforma de la Justicia en la Argentina.* File with author.

Bresser-Pereira, Luiz Carlos (1995) 'Development Economics and the World Bank's Identity Crisis'. *Review of International Political Economy*, Vol. 2, No. 2. 211-247.

Buchanan, James (2001) *Judicial Reform in the Americas* FOCAL Policy Paper. Available at http://www.focal.ca/images/pdf/Judicial.pdf. Retrieved 10 December 2004

Burki, Shahid J. and Guillermo Perry (1998) *Beyond the Washington Consensus: Institutions Matter.* Washington D.C.: World Bank.

Buscaglia, Edgardo (1997) 'Corruption and Judicial Reform in Latin America'. *Policy Studies Journal*, Vol. 17, No. 4. 273-295.

Buscaglia, Edgardo and Maria Dakolias (1996) *A Quantitative Analysis of the Judicial Sector: The Cases of Argentina and Ecuador.* World Bank Technical Paper No 353. Washington D.C.: World Bank.

Cammack, Paul (2004) 'What the World Bank Means by Poverty Reduction and Why it Matters'. *New Political Economy*. Vol. 9, No. 2. 189-211.

Caraynnis, Elias and Bruno Laporte (2002) *By Decree or by Choice? Implementing Knowledge Management and Sharing at the Education Sector of the World Bank Group*. Washington D.C.: World Bank.

Carothers, Thomas (2001) 'The Many Agendas of Rule-of-law Reform in Latin America', in Domingo, Pilar and Rachel Sieder (Eds.) *Rule of Law in Latin America. The International Promotion of Judicial Reform*. London: Institute of Latin American Studies. 4-16.

Carrió, Alejandro and Alberto Garay (1996) *La Corte Suprema y su Independencia. Un Análisis a través de la Historia*. Buenos Aires: Abeledo Perrot.

Casaburi, Gabriel, M. Pia Riggirozzi, M. Fernanda Tuozzo and Diana Tussie (2000) 'Multilateral Development Banks, Governments and Civil Society. Chiaroscuros in a Triangular Relationship'. *Global Governance*, (Special Issue), Vol. 6, No 4. 493-517.

Castelar Pinheiro, Armando (1998) *The Economic Costs of Judicial Inefficiency*. Federal University of Rio de Janeiro. Unpublished report.

Caufield, Catherine (1996) *Masters of Illusion: The World Bank and the Poverty of Nations*. New York: Henry Holt and Company.

Cavarozzi, Marcelo (1994) 'Politics: A Key for the long Term in South America', in Smith, William C., Carlos H. Acuña and Eduardo A. Gamarra (Eds.) *Latin American Political Economy in the Age of Neoliberal Reform*. New Brunswick, N.J.: Transaction Publishers. 127-155.

Cerny, Philip (1995) 'Globalization and the Changing Logic of Collective Action'. *International Organization*. Vol. 49, No. 4. 595-625.

Cesilini, Sandra (2003) 'Una Iniciativa Experimental en la Construcción de Mecanismos Sociales de Rendición de Cuentas En Argentina', in *Pensando en Voz Alta IV: Innovadores Estudios de Caso sobre Instrumentos Participativos*. Latin America and the Caribbean Region Civil Society Team. Washington D.C.: World Bank. 79-88.

Checkel, Jeffrey (1998) 'The Constructivist Turn in International Relations Theory'. *World Politics*, Vol. 50, No. 1. 324-348.

Checkel, Jeffrey (2000) 'Compliance and Conditionality'. *Arena*, Working Papers No. 00/18.

Clarín (1998) 'La Etica Sigue Esperando', 14 September, Política. Available at http://old.clarin.com.ar/diario/1998/09/14/t-00601d.htm. Retrieved 14 March 2004

Clarín (1999) 'Menem: Bienes por 2,5 Milliones', 11 March, Política. Available at http://old.clarin.com/diario/1999/03/11/t-00901d.htm. Retrieved 28 April 2005.

Clarín (2001) 'Capital: Fuerte Cacerolazo Nocturno y Masiva Marcha a Plaza de Mayo', 20 December, Política. Available at http://www.clarin.com/diario/2001/12/20/p-02601.htm. Retrieved 14 March 2004.

Clarín (2002) 'El Nuevo Escenario: La Argentina de los Cinco Presidentes'. 19 January, Política. Available at http://www.clarin.com/diario/2002/01/19/p-01801.htm. Retrieved 17 November 2004.

Cohen, Don and Bruno Laporte (2004) *Evolution of Knowledge Bank' in Inside Knowledge*. Online version. Available at www.kmmagazine.com. Retrieved 10 February 2005.

Collier, Paul (1997) 'The Failure of Conditionality', in Gwin, Catherine and Joan Nelson (Eds.) *Perspectives on Aid and Development*. Washington D.C.: Overseas Development Council. 51-74.

Collier, Paul (2000) *Consensus Building, Knowledge and Conditionality*. Available at http://www.worldbank.org/research/abcde/washington_12/pdf_files/collier.pdf. Retrieved 3 June 2005.

Corbalan, Maria A. (2002) *El Banco Mundial: Intervención y Disciplinamiento. El Caso Arentino, Enseñanzas para America Latina*. Buenos Aires: Biblos.

Corrales, Javier (1997) 'Why Argentines followed Cavallo', in Domínguez, Jorge I. (Ed.) *Technopols: Freeing Politics and Markets in Latin America in the 1990s*. University Park, PA: Penn State University Press. 49-94.

Cox, Robert (1986) 'Social Forces, States and World Order: Beyond International Relations Theory', in Keohane, Robert (Ed.) *Neorealism and Its Critics*. New York: Columbia University Press. 204-254.

Cox, Robert (1987) *Production, Power and World Order: Social Forces in the Making of History*. New York: Columbia University Press.

Cox, Robert (1989) 'Production, the State and Change In World Order', in Czempiel, Ernst-Otto and James N. Rosenau (Eds.) *Global Changes and Theoretical Challenges: Approaches to World Politics for the 1990s*. Toronto: Lexington Books.

Cox, Robert (1993) 'Gramsci, Hegemony and International Relations: An Essay in Method', in Gill, Stephen (Ed.) *Gramsci, Historical Materialism and International Relations*. Cambridge: Cambridge University Press. 49-66.

Cox, Robert (1996) 'Social Forces, States and World Orders', in Cox, Robert with Timothy Sinclair (Eds.) *Approaches to World Order*. Cambrigde: Cambridge University Press. 524-536.

Cox, Robert (1999) 'Civil Society at the Turn of the Millenium: Prospects for an Alternative World Order'. *Review of International Studies*, Vol. 25, No. 1. 3-28.

Cox, Robert with Timothy J. Sinclair (1996) *Approaches to World Order*. Cambridge: Cambridge University Press.

Coyle, Erin (2001) *Consensus and Dissent in Washington: Negotiating Change in the World Bank and IMF*. MPhil thesis. Cambridge: Centre of International Studies, University of Cambridge. Unpublished.

Dakolias, Maria (1995) 'A Strategy for Judicial Reform: The Experience in Latin America'. *Virginia Journal of International Law*, Vol. 36, No. 1. 167-231.

Dakolias, Maria (1996) *The Judicial Sector in Latin America and the Caribbean: Elements of Reform*. World Bank Technical Paper 319. Washington D.C.: World Bank.

Dakolias, Maria and Javier Said (1999) *Judicial Reform: A Process of Change Through Pilot Courts*. World Bank Report No. 20176. Washington D.C.: World Bank.

Damill, Mario and Roberto Frenkel (1993) 'Restauración Democrática y Política Económica: Argentina, 1984-1991', in Morales, Juan A. and Gary McMahon (Eds.) *La Política Económica en la Transición a la Democracia: Lecciones de Argentina, Bolivia, Chile y Uruguay'*. Santiago: CIEPLAN. 37-116.

Danaher, Kevin (1994) *50 Years is Enough: The Case Against the World Bank and the International Monetary Fund*. Boston: South End Press.

De Michele, Roberto (2001) 'The Role of the Anti-Corruption Office in Argentina Lessons on Corruption and Anti-Corruption: Policies and Results'. *The Journal of Public Inquiry*, Fall/Winter. 17-20.

De Michele, Roberto (2004) *Conflicts of Interest an Overview of the Argentine Experience*. Paper presented at the Forum on Implementing Conflict of Interest Policies in the Public Service. 5-6 May. Rio de Janeiro, Brazil. Unpublished document.

Deininger, Klaus, Lyn Squire and Swati Basu (1998) 'Does Economic Analysis Improve the Quality of Foreign Assistance?'. *World Bank Economic Review*, Vol. 12. No. 3. 385-418.

Denning, Stephen (1998) *What is Knowledge Management?*. Washington D.C.: World Bank.

Denning, Stephen (2000) *The Springboard: How Storytelling Ignites Action in Knowledge-Era Organizations*. Boston: Butterworth Heinemann.

Dezalay, Yves and Bryant Garth (2002) 'Legitimating the New Legal Orthodoxy', in Dezalay, Yves and Bryant G. Garth (Eds.) *Global Prescriptions: The Production, Exportation and Importation of a New Legal Orthodoxy*. Ann Arbor: University of Michigan Press. 306-334.

Diario Judicial (2002) 'Objetan el Manejo de PROJUM'. 24 June, Available at http://www.diariojudicial.com/nota.asp?IDNoticia=2571. Retrieved 18 April 2005.

Dollar, David and Jakob Svensson (2000) 'What Explains the Success or Failure of Structural Adjustment Programmes?'. *Economic Journal*, Vol. 110, No. 466. 894-917.

Dollar, David and Lant Pritchett (1998) 'Assessing Aid: What Works, What Doesn't and Why'. *World Bank Research Report*. Available at http://www.worldbank.org/research/aid/presentation/sld003.htm. Retrieved 17 February 2005.

Dolowitz, David and David Marsh (1996) 'Who Learns from Whom: A Review of the Policy Transfer Literature'. *Political Studies*, Vol. 44, No. 2. 343-57.

Dolowitz, David and David Marsh (2000) 'Learning From Abroad: The Role of Policy Transfer in Contemporary Policy Making'. *Governance*, Vol. 13, No. 1. 5-24.

Domingo, Pilar and Rachel Sieder (Eds.) (2001) *Rule of Law in Latin America: The International Promotion of Judicial Reform*. London: Institute of Latin American Studies.

Dominguez, Jorge (1997) 'Technopols: Ideas and Leaders in Freeing Politics and Markets in Latin America in the 1990s', in Dominguez, Jorge I. (Ed.) *Technopols: Freeing Politics and Markets in Latin America in the 1990s*. University Park: Pennsylvania State University Press. 1-48.

Dowding, Keith (1995) 'Model or Metaphor? A critical Review of the Policy Network Approach'. *Political Studies*, Vol. 43, No. 1. 136-58.

Dowding, Keith (2000) 'There Must be End to Confusion: Policy Networks, Intellectual Fatigue and the Need for Political Science Methods Courses in British Universities'. *Political Studies*, Vol. 49, No 1. 89-105.

Easterly, William (2001) *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge, M.A.: MIT Press.

Edwards, Sebastian (1995) *Crises and Reform in Latin America: From Despair to Hope*. New York: Oxford University Press.

Egan, Daniel (2001) 'The Limits of Internationalisation: A Neo-Gramscian Analysis of the Multilateral Agreement on Investment'. *Critical Sociology*, Vol. 27, No. 3. 74- 97.

Ellerman, David (1998) *Knowledge-based Development Institutions*. Washington D.C.: World Bank.

Ellerman, David (2001) 'Helping People Help Themselves: Toward a Theory of Autonomy-Compatible Help'. *Policy Research Working Paper Series*, No. 2693. Washington D.C.: World Bank.

Ellerman, David (2002) 'Should Development Agencies have Official Views?'. *Development in Practice*, Vol. 12, No. 3 and 4. August. 285-397.

Escobar, Arturo (1995) *Encountering Development*. Princeton: Princeton University Press.

Etchemendy, Sebastián (2001) 'Construir Coaliciones Reformistas. La Política de las Compensaciones en el Camino Argentino Hacia la Liberalización Económica'. *Desarrollo Económico*. Vol. 40, No. 160. 675-706.

Evans, Mark (2001) 'Understanding Dialectics in Policy Network Analysis'. *Political Studies*, Vol. 49, No. 1. 542-550.

Evans, Mark and Jonathan Davies (1999) 'Understanding Policy Transfer: A Multilevel, Multidisciplinary Perspective'. *Public Administration*, Vol.77, No. 2. 361-385.

Faúndez, Julio (2000) 'Legal Reform in Developing and Transition Countries - Making Haste Slowly'. *Law, Social Justice and Global Development (LGD)*. No.1. Online Journal available at http://elj.warwick.ac.uk/global/issue/2000-1/faundez.html. Retrieved 3 February 2005.

Faúndez, Julio (Ed.) (1997) *Good Government and Law: Legal and Institutional Reform in Developing Countries*. New York: St. Martin Press.

Ferguson, James (1990) *The Anti-politics Machine: 'Development', Depoliticization and Bureaucratic Power in Lesotho*. Cambridge: Cambridge University Press.

Fernandez, Roberto and Roger Gould (1994) 'A Dilemma of State Power: Brokerage and Influence in the National Health Policy Domain'. *American Journal of Sociology*, Vol. 99, No. 6. 1455-1491.

Fernandez-Arias, Eduardo and Peter Montiel (1997) *A Decade of Structural Reform: All Pain no Gain? Latin America After a Decade of Reforms*. Office of the Chief Economist, Working Paper 351. Washington D.C.: IDB.

Ferreira Rubio, Delia and Matteo Goretti (1996) 'Cuando el Presidente Gobierna Solo. Menem y los Decretos de Necesidad y Urgencia hasta la Reforma Constitucional (Julio 1989-Agosto 1994)'. *Desarrollo Económico*, Vol. 36, No. 141. 443-474.

Fierke, Karin (2002) 'Links Across the Abyss: Language and Logic in International Relations'. *International Studies Quarterly*, Vol. 46, No. 3. 331-54.

Fine, Ben (2002) 'The World Bank's Speculation on Social Capital', in Pincus, Jonathan and Jeffrey Winters (Eds.) *Reinventing the World Bank*. Ithaca and London: Cornell University Press. 203-221.

Finkel, Jodi (2004) 'Judicial Reform In Argentina in the 1990s: How Electoral Incentives Shape Institutional Change'. *Latin American Research Review*, Vol. 39, No. 3. 56-80.

Finnemore, Martha (1993) 'International Organizations as Teachers of Norms: The United Nations Educational, Scientific and Cultural Organization and Science Policy'. *International Organization*, Vol. 47, No. 4. 565-597.

Finnemore, Martha (1996) *National Interests in International Society*. Ithaca and London: Cornell University Press.

Finnemore, Martha and Kathryn Sikkink (1998) 'International Norm Dynamics and Political Change'. *International Organization*, Vol. 52, No. 4. 887-917.

Fischer, Frank (2003) *Reframing Public Policy*. Oxford: Oxford University Press.

Foucault, Michel (1977) *Language, Counter-Memory, Practice: Selected Essays and Interviews*. Translation of Donald F. Bouchard. Ithaca: Cornell University Press.

Foucault, Michel (1980) *Power/Knowledge: Selected Interviews and Other Writings, 1972-1977*. Colin Gordon *et al*, Trans. London: Harvester Wheatsheaf.

Fox, Jonathan and David Brown (Eds.) (1998) *The Struggle for Accountability: The World Bank, NGOs and Grassroots Movements*. Cambridge, Mass.: MIT Press.

Fundacion de Investigaciones Economicas Latinoamericana (1996) *La Reforma del Poder Judicial en la Argentina*. Buenos Aires: FIEL.

Gale, Fred (1998) 'Cave "Cave! Hic Dragones": A Neo-Gramscian Deconstruction And Reconstruction of International Regime Theory'. *Review of International Political Economy*. Vol. 5, No. 2. 252-283.

Gamarra, Eduardo (1994) 'Market-Oriented Reforms and Democracy in Latin America: Challenges of the 1990s' in Smith, William C., Carlos H. Acuña and Eduardo A. Gamarra (Eds) *Latin American Political Economy in the Age of Neoliberal Reform*. New Brunswick, N.J.: Transaction Publishers. 1-16.

Garcia Delgado, Daniel (1997) 'La Reforma del Estado en la Argentina: de la Hiperinflación al Desempleo Estructural'. *Revista CLAD Reforma y Democracia*. No 8. Available at http://www.clad.org.ve/0029813.html. Retrieved 15 July 2003.

Gargarella, Roberto, Siri Gloppen and Elin Skaar (Eds.) (2004) *Democratization and the Judiciary. The Accountability Function of Courts in New Democracies*. London: Frank Cass.

Gavin, Michael and Dani Rodrik (1995) 'The World Bank in Historical Perspective'. *The American Economic Review*, Vol. 85 No. 2. 329-334.

George, Susan and Francisco Sabelli (1994) *Faith and Credit: The World Bank's Secular Empire*. Pan Books: London.

Germain, Randall and Michael Kenny (1998) 'Engaging Gramsci: International Relations Theory and the New Gramscians'. *Review of International Studies*, Vol. 24, No. 1. 3-21.

Giarone, Daniel (2003) *Hacia donde Va el Juzgado Modelo?*. Buenos Aires: Federación Judicial Argentina.

Gibbons, Michael, Camille Limoges, Helga Nowotny, Simon Schwartzman, Peter Scott and Martin Trow (1994) *The New Production of Knowledge*. London: Sage.

Gibson, Edward (1997) 'The Populist Road to Market Reform: Policy and Electoral Coalitions in Mexico and Argentina'. *World Politics*, Vol. 49, No. 3. 339-370.

Gilbert, Christopher and David Vines (2000) 'The World Bank: an Overview of Some Major Issues', in Gilbert, Christopher and David Vines (Eds.) *The World Bank:*

Structure and Policies. Cambridge: Cambridge University Press. 10-36.Gill, Stephen (1990) *American Hegemony and the Trilateral Commission.* Cambridge: Cambridge University Press.

Gilbert, Christopher, Andrew Powell and David Vines (2000) 'Positioning the World Bank', in Gilbert, Christopher and David Vines (Eds.) *The World Bank Structure and Policy*. Cambridge: Cambridge University Press. 39-86

Gilbert, Christopher, Raul Hopkins, Andrew Powell and Amlan Roy (1997) 'The World Bank and Conditionality'. *Journal of International Development*, Vol. 9. 507-516.

Gill, Stephen (1995) 'Globalisation, Market Civilisation and Disciplinary Neoliberalism'. *Millennium: Journal of International Studies*, Vol. 24, No. 3. 399-423.

Gill, Stephen (2000) *The Constitution of Global Capitalism*. Paper presented at the International Studies Association Annual Convention, Los Angeles. Available at http://www.theglobalsite.ac.uk/press/010gill.pdf. Retrieved 11 March 2005

Gill, Stephen and David Law (1988) *The Global Political Economy: Perspectives, Problems and Policies*. Hertfordshire: Harvester and Wheatsheaf.

Gilpin, Robert (1987) *The Political Economy Of International Relations*. Princeton, N.J.: Princeton University Press.

Goldman, Michael (2001) 'The Birth of a Discipline. Producing Authoritative Green Knowledge, World Bank Style'. *Ethnography*, Vol. 2, No. 2. 191-217.

Goldman, Michael (2005) *Imperial Nature: The World Bank and Struggles for Social Justice in an Age of Globalization*. New Haven, C.T.: Yale University Press.

Goldman, Michel (n/d) *The Power of World Bank Knowledge*. Available at http://www.brettonwoodsproject.org/ topic/knowledgebank/goldmanarticle.doc. Retrieved 15 June 2004.

Goldstein, Judith and Robert Keohane (Eds.) (1993) *Ideas and Foreign Policy: Beliefs, Institutions and Political Change*. Ithaca: Cornell University Press.

Gramsci, Antonio (1971) *Selections from the Prison Notebooks*. Trans. Quintin Hoare and Geoffrey Nowell-Smith. London: Lawrence and Wishart.

Haas, Peter (1992) 'Introduction: Epistemic Communities and International Policy Coordination'. *International Organization*. Vol. 46, No. 1. 1-35.

Haggard, Stephen and Robert Kaufman (1994) 'Democratic Institutions, Economic Policy and Performance in Latin America', in Bradford, Colin (Ed.) *Redefining the State in Latin America*. Paris: OECD. 69-90.

Hammergren, Linn (1998a) *Fifteen Years of Judicial Reform in Latin America: Where We Are and Why We Haven't Made More Progress'*. Online version, available at http://www.pogar.org/publications/judiciary/linn2/experience.html. Retrieved 13 May 2004.

Hammergren, Linn (1998b) *Political Will, Constituency Building and Public Support in Rule of Law Programs*. Centre for Democracy and Governance. Washington D.C.: USAID.

Hanlon, Joseph and Ann Pettifor (2000) 'Kicking the Habit: Finding a Lasting Solution to Addictive Lending and Borrowing and its Corrupting Side-effects'. Available at http://www.jubileeplus.org/analysis/reports/habitfull.htm. Retrieved 15 February 2005.

Harris, John and Hunter Janet (Eds.) (1995) *The New Institutional Economics and the Third World Development*. London: Routledge.

Harris, Richard (2000) 'The Effects of Globalization and Neoliberalism in Latin America at the Beginning of the Millennium', in Harris, Richard and Melinda J. Seid (Eds.) *Critical Perspectives on Globalization and Neoliberalism in Developing Countries*. Leiden, Boston and Köln: Brill. 139-162.

Harrison, Graham (2004) *The World Bank and Africa: the Construction of Governance States*. London: Routledge.

Harrison, Graham (2005) 'The World Bank, Governance and Theories of Political Action in Africa'. *The British Journal of Politics and International Relations*, Vol. 7, No. 2. 240-260.

Hass, Peter (1992) 'Introduction: Epistemic Communities and International Policy Coordination'. *International Organization*, Vol. 46, No. 1. 1-35.

Held, David and Anthony McGrew (Eds.) (2002) *Governing Globalization: Power, Authority and Global Governance*. Cambridge: Polity Press.

Helmke, Gretchen (2002) 'The Logic of Strategic Defection: Court-Executive Relations in Argentina under Dictatorship and Democracy'. *American Political Science Review*, Vol. 96, No. 2. 291-320.

Helmke, Gretchen (2003) 'Checks and Balances by other Means Strategic: Defection and Argentina's Supreme Court in the 1990s'. *Comparative Politics*, Vol. 35, No. 2. 213-230.

Hentz, James (2004) 'The Power of Ideas. Across the Constructivist/realist Divide', in Bøas, Morten and Desmond McNeill (Eds.) *Global Institutions and Development: Framing the World?*. London and New York: Routledge. 193-205.

Higgott, Richard and Morton Ougaard (Eds.) (2002) 'Introduction: Beyond System and Society. Towards a Global Polity', in Ougaard, Morton and Richard Higgott (Eds.) *Towards a Global Polity*. London: Routledge.

Holden, Matthew (2000) 'The Competence of Political Science: Progress in Political Research'. *American Political Science Review*, Vol. 94, No. 1. 1-20.

Hollifield, James and Calvin Jillson (Eds.) (2000) *Pathways to Democracy: the Political Economy of Democratic Transitions*. New York: Routledge.

Hood, Christopher (1991) 'A Public Management for All Seasons?'. *Public Administration*, No 69, No. 3. 3-19.

Human Rights First (2000) *Building on Quicksand: The Collapse of the World Bank's Judicial Reform in Peru*. Available at http://www.humanrightsfirst.org/pubs/descriptions/perubuilding.htm. Retrieved 20 July 2005.

Iaryczower Matías, Pablo Spiller and Mariano Tommasi (2002) 'Judicial Independence in Unstable Environments, Argentina 1935-1998'. *American Journal of Political Science*, Vol. 46, No. 4. 699-716.

International Monetary Fund (2001) *Review of the Fund's Experience in Governance Issues*. Washington D.C.: IMF.

International Monetary Fund (2004) *Report on the Evaluation of the Role of the IMF in Argentina, 1991-2001*. Independent Evaluation Office. Washington D.C.: IMF.

James, Oliver and Martin Lodge (2003) 'The Limitations of Policy Transfer and Lesson Drawing for Public Policy Research'. *Political Studies Review*, Vol 1, No. 2. 179-193.

Kahler, Miles (1992) 'External Influence, Conditionality, and the Politics of Adjustment', in Haggard, Stephen and Robert Kaufman (Eds.) *The Politics of Economic Adjustment*. Princeton N.J.: Princeton University Press. 88-136.

Kahler, Miles (1993) 'Bargaining with the IMF: Two-Level Strategies and Developing Countries', in Evans, Peter B., Harold K. Jacobson and Robert D. Putnam (Eds.) *Double-Edged Diplomacy: International Bargaining and Domestic Politics*. Berkeley: University of California Press. 363-394.

Kanbur, Ravi (2002) 'International Financial Institutions and International Public Goods: Operational Implications for the World Bank'. *G-24 Discussion Paper Series*. No. 19, December. New York and Geneva: UNCTAD.

Kapur, Devesh (1998) 'The State in a Changing World: A Critique of the 1997 World Development Report'. *International Monetary and Financial Issues for the 1990s*, Vol. 9. New York and Geneva: United Nations. 127-140.

Kapur, Devesh and Richard Webb (2000) 'Governance-Related Conditionalities of the International Financial Institutions'. *G-24 Discussion Paper Series*. No. 6, August. New York and Geneva: UNCTAD.

Kapur, Devesh, John P. Lewis and Richard Webb (Eds.) (1997) *The World Bank: Its First Half Century, History, Vol.1*. Washington D.C.: Brookings Institution

Kaufman, Robert and Barbara Stallings (1989) 'Debt and Democracy in the 1980s: The Latin American Experience', in Stallings, Barbara and Robert Kaufman (Eds.) *Debt and Democracy in Latin America*. Boulder, CO.: Westview. 201-223.

Kaufmann, Daniel, Aart Kraay and Pablo Zoido-Lobatón (1999) *Governance Matters. World Bank Policy*, Research Working Paper 2196. Washington D.C.: The World Bank.

Kaufmann, Daniel, Aart Kraay and Pablo Zoido-Lobatón (2002) *Governance Matters II: Updated Indicators for 2000/01*. Washington D.C.: World Bank.

Keck, Margaret and Kathryn Sikkink (1998) *Activists Beyond Borders: Advocacy Networks In International Politics*. Ithaca, N.Y.: Cornell University Press.

Kenis, Patrick and Volker Schneider (1991) 'Policy Networks and Policy Analysis: Scrutinizing a New Analytical Toolbox', in Marin, Bernd and Renate Mayntz (Eds.) *Policy Networks: Empirical Evidence and Theoretical Considerations*, Boulder/Frankfurt: Campus/Westview Press. 25-62.

Keohane, Robert (1984) *After Hegemony: Co-operation and Discord in the World Political Economy*. Princeton, N.J.: Princeton University Press.

Kiely, Ray (1998) 'Neo Liberalism Revised? A Critical Account of the World Bank Concepts of Good Governance and Market Friendly Intervention'. *Capital and Class*, No. 64, Spring. 63-88.

Killick, Tony with Ramani Gunatilaka and Ana Marr (1998) *Aid and the Political Economy of Policy Change*. London: Routledge.

Killick, Tony (2004) 'Politics, Evidence and the New Aid Agenda', *Development Policy Review*, Vol. 22, No. 1. 5-29.

King, Kenneth (2002) 'Banking on Knowledge. The New Knowledge Projects of the World Bank'. *Compare*, Vol. 32, No. 3. 311-326.

King, Kenneth and Simon McGrath (2000) *Becoming a Knowledge Bank? The World Bank's Emerging Approach to Knowledge, Partnership and Development in the Time of Globalisation*. Project Paper No. 3, Centre of African Studies, University of Edinburgh.

King, Kenneth and Simon McGrath (2004) *Knowledge for Development?: Comparing British, Japanese, Swedish and World Bank Aid.* London: Zed Books.

Korzeniewicz, R. Patricio and William C. Smith (2000a) 'Pobreza, Desigualdad y Crecimiento en América Latina: En Búsqueda del Camino Superior a la Globalización'. *Desarrollo Económico*, Vol. 40, No. 159. 387-424.

Korzeniewicz, R. Patricio and William C. Smith (2000b) 'Growth, Poverty, and Inequality in Latin America: Searching for the High Road'. *Latin American Research Review*, Vol. 35, No. 3. 7-54.

Krasner, Stephen (Ed.) (1983) *International Regimes*. Ithaca, N.Y.: Cornell University Press.

Kratochwill, Friedrich (2001) 'Constructivism as an Approach to Interdisciplinary Study', in Fierke, Karin and Jorgensen Knud (Eds.) *Constructing International Relations*. New York: M.E.Sharpe.13-35.

La Nación (1998) 'Menem Va a Washington a Marcar las Diferencias', 1 October, Economía: 3.

La Nación (1998b) 'Críticas de Menem a Encuesta sobre Corrupción', 24 September, Política: 16.

La Nación (2003) 'Un Cambio Necesario, pero Parcial', 27 July, Política: 10.

La Nación (2005) 'Los Poderes Judiciales Provinciales Amenazados', 18 April, Política: 1.

La Porta, Rafael, Florencio Lopez-de-Silanes, Andrei Shleifer and Robert Vishny (1998) 'Law and Finance'. *Journal of Political Economy*, Vol. 106, No. 6. 1113-1155.

Landell Mills, Pierre (2003) 'Coming to Grips with Governance: the Lessons of Experience'. *Journal of Contemporary China*, Vol. 12, No. 35. 357-371.

Laporte, Bruno (2002) *Knowledge is Currency at the World Bank.* Washington D.C.: The World Bank. Available at http://www.worldbank.org/ks/PDFs/K_is_currency.pdf. Retrieved 5 August 2005.

Larkins, Christopher (1998) 'The Judiciary and Delegative Democracy in Argentina'. *Comparative Politics*, Vol. 30. No. 4. 423-443.

Leiteritz, Ralph (2004) *The Half-Life of Capital Account Liberalisation in Latin America: the Role of the International Financial Institutions and Professional Training Abroad.* Paper prepared for Workshop for Researchers on the World Bank, Central European University, Budapest, Hungary, 1-2 April, 2005. Available at http://www.ceu.hu/cps/eve/eve_wbank_leiteritz.pdf. Retrieved 27 February 2005.

Levy, Brian and Pablo Spiller (1994) 'The Institutional Foundations of Regulatory Commitment: A Comparative Analysis of Telecommunications Regulation'. *Journal of Law, Economics and Organization*, No.10. 201-246.

Levy, David L. and Peter Newell (2002) 'Business Strategy and International Environmental Governance: Toward a Neo-Gramscian Synthesis'. *Global Environmental Politics*. Vol. 2, No. 4. 84-101.

Mallaby, Sebastian (2005) *The World's Banker: A Story of Failed States, Financial Crises, and the Wealth and Poverty of Nations*. New York: Penguin Press.

Manning, Nick, Omer Gokcekus and Ranjana Mukherjee (2000) *Public Officials and Their Institutional Environment: An Analytical Model for Assessing the Impact* *of Institutional Change on Public Sector Performance*. Policy Research Working Paper No. 2427. Washington D.C.: World Bank.

Manzetti, Luigi (2000) 'Keeping Accounts: a Case Study of Civic Initiatives and Campaign Finance Oversight in Argentine'. *Working Paper No. 248*. The IRIS Center, University of Maryland. November.

Manzetti, Luigi (2002) 'The Argentine Implosion'. *The North-South Agenda*. No 59. Available at http://www.miami.edu/nsc/publications/Papers&Reports/ArgentineImplosion.html. Retrieved 12 May 2004.

March, James and Johan Olsen (2004) 'The Logic of Appropriateness'. *ARENA Working Papers*, No.9. Available at www.arena.uio.no/publications/ working-papers2004/papers/wp04_9.pdf. Retrieved 13 July 2005.

Marquette, Heather (2001) 'Corruption, Democracy and the World Bank'. *Crime, Law & Social Change*, Vol. 36, No. 4. 395-407.

Marquette, Heather (2004) 'The Creeping Politicisation of the World Bank: The Case of Corruption'. *Political Studies*, Vol. 52, No. 3. 413-430.

Marsh, David (1998) 'The Development of the Policy Network Approach', in Marsh (Ed.) *Comparing Policy Networks*. Buckingham: Open University Press. 3-17.

Marsh, David and Martin Smith (2000) 'Understanding Policy Networks: Towards a Dialectical Approach'. *Political Studies*, Vol. 48, No. 1. 4-21.

Martin, Lisa and Beth Simmons (1998) 'Theories and Empirical Studies of International Institutions'. *International Organization*, Vol. 50, No. 4. 729-757.

McNeill, Desmond (2004) 'Social Capital and the World Bank', in Bøas, Morten and Desmond McNeill (Eds.) *Global Institutions and Development: Framing the World?*. New York and London: Routledge. 108-123.

Meagher, Patrick (2002) *Anti-Corruption Agencies: A Review of Experience*. IRIS Center, University of Maryland. Available at http://www1.worldbank.org/publicsector/anticorrupt/CoreCourseDec2003/Meagherpaper.doc. Retrieved 26 May 2005.

Mearsheimer, John (1994) 'The False Promise of International Institutions'. *International Security*, Vol.19, No.3. 5-49.

Mearsheimer, John (2001) *The Tragedy of Great Power Politics*. New York: W.W. Norton.

Mehta, Lila (2001) 'The World Bank and its Growing Knowledge Empire'. *Human Organization*, Vol. 60, No. 2. 189-197.

Messick, Richard (1999) 'Judicial Reform and Economic Development: A Survey of the Issues'. *The World Bank Observer*, Vol. 14, No. 1, February. 117-136.

Messick, Richard (2004) *Judicial Reform and Economic Growth: What a Decade of Experience Teaches*. Prepared for the Conference 'A Liberal Agenda for the New Century: A Global Perspective', Cosponsored by Cato Institute, the Institute of Economic Analysis and the Russian Union of Industrialists and Entrepreneurs, April 8-9, 2004, Moscow, Russian Federation.

Michael, Bryane (2004) 'Explaining Organizational Change in International Development: The Role of Complexity in Anti-Corruption Work'. *Journal of International Development*, Vol. 16. 1067-1088.

Miller-Adams, Michelle (1999) *The World Bank: New Agendas in a Changing World*. New York: Routledge.

Ministerio de Economía (1993) *Argentina: A Growing Nation*. Buenos Aires: Ministerio de Economía, Obras y Servicios Públicos.

Ministerio de Justicia y Derechos Humanos (2001) *Oficina Anti-corrupción, Informe de Gestión*. December. Buenos Aires: Misniterios de Justicia.

Moore, David (1995) 'Development Discourse as Hegemony: Towards and Ideological History - 1945-1995', in Moore, David and Gerald Schmitz (Eds.) *Debating Development Discourse: Institutional and Popular Perspectives*. London: Macmillan. 1-53.

Moreno Ocampo, Luis (1993) *En Defensa Propia: ¿Cómo Salir de la Corrupción?*. Buenos Aires: Editorial Sudamericana.

Morley, Samuel (1995) *Poverty and Inequality in Latin America: The Impact of Adjustment and Recovery in the 1980s*. Baltimore, MD.: Johns Hopkins University Press.

Mosley, Paul, Jane Harrigan and John Toye (1995) *Aid and Power: The World Bank and Policy-Based Lending*. London: Routledge.

Murillo, María Victoria (1997) 'Union Politics, Market-oriented Reforms, and the Reshaping of Argentine Corporatism', in Chalmers, Douglas (Ed.) *The New Politics of Inequality in Latin America*. Oxford: Oxford University Press. 72-95.

Naim, Moises (2000) 'Washington Consensus or Washington Confusion'. *Foreign Policy*, Spring. No. 18. 87-103.

Neilson, Stephanie (2001) *Knowledge Utilization and Public Policy Processes: A Literature Review*. Canada: IDRC.

Nelson, Joan (1994) *A Precarious Balance: an Overview of Democracy and Economic Reforms in Eastern Europe and Latin America*. San Francisco: International Center for Economic Growth and Overseas Development Council.

Nelson, Joan (Ed.) (1990) *Economic Crisis and Policy Choice: the Politics of Adjustment in the Third World*. Princeton, N.J.: Princeton University Press.

Nelson, Paul (1997) 'Transparencia, Fiscalización y Participación', in Tussie, Diana (Ed.) *El BID, el Banco Mundial y la Sociedad Civil: Nuevas Formas de Financiamiento Internacional*. Buenos Aires: FLACSO. 21-62.

Nelson, Paul (2000) 'Whose Civil Society? Whose Governance? Decision-making and Practice in the New Agenda at the Inter-American Development Bank and the World Bank'. *Global Governance* (Special Issue), Vol. 6, No. 4. 405-432.

North, Douglass (1990) *Institutions, Institutional Change, and Economic Performance*. Cambridge and London: Cambridge University Press.

Novoa, Sergio and Daniel Giarone (2001) *Voces Claras en Medio del Ruido: La Argentina y la Globalización desde una Perspectiva Crítica*. Buenos Aires: FJA.

Nustad, Knut and Ole J. Sending (2000) 'The Instrumentalisation of Development Knowledge' in Stone, Diane (Ed.) *Banking on Knowledge: The Genesis of the Global Development Network*. London: Routledge. 44-62.

O'Donnell, Guillermo (1994) 'Delegative Democracy'. *Journal of Democracy*. Vol. 5, No. 1. 55-69.

O'Donnell, Guillermo (1999) 'Horizontal Accountability in New Democracies', in Shedler, Andrea, Larry Diamond and Mark Plattner (Eds.) *The Self-Restraining State: Power and Accoutnability in New Democracies*. Boulder: Lynne Rienner. 29-51.

Oficina Anticorrupción (2001) *Informe de Gestión*. Buenos Aires: Ministerio de Justicia y Derechos Humanos.

Oficina Anticorrupción (2003) *Informe de Gestión*. Buenos Aires: Ministerio de Justicia y Derechos Humanos.

Oszlak, Oscar (2000) 'Building Capacities for Governance in Argentina'. *Asian Review of Public Administration*, Vol. 12, No. 1. 134-154.

Palermo, Vicente and Marcos Novaro (1996) *Política y Poder en el Gobierno de Menem*. Buenos Aires: Grupo Editorial Norma.

Paliwala, Abdul (2000) 'Privatisation in Developing Countries: The Governance Issue', *Law, Social Justice and Global Development Journal*. Available at http://elj.warwick.ac.uk/global/issue/2000-1/paliwala.html. Retrieved 17 October 2004.

Panzardi, Roberto, Carlos Calcopietro and Enrique Fanta Ivanovic (2002) *New-Economy Sector Study Electronic Government and Governance: Lessons for Argentina*. Washington D.C.: World Bank.

Park, Susan (2005) 'Norm Diffusion within International Organizations: A Case Study of the World Bank'. *Journal of International Relations and Development*, Vol. 8, No.2. 111-141.

Pastor, Manuel and Carol Wise (1998) 'Stabilization and Its Discontents: Argentina's Economic Restructuring in the 1990s'. *North-South Agenda*, No 31. Florida: North-South Center Press.

Payer, Cheryl (1982) *The World Bank. A Critical Analysis*. New York: Monthly Review Press.

Payne, Rodger (2001) 'Persuasion, Frames and Norm Construction'. *European Journal of International Relations*, Vol. 7, No. 1. 37-61.

Pender, John (2001) 'From "Structural Adjustment" to "Comprehensive Development Framework": Conditionality Transformed?'. *Third World Quarterly*, Vol. 22, No. 3. 397-411.

Peruzzotti, Enrique (2001) 'The Nature of the New Argentine Democracy. The Delegative Democracy Argument Revisited'. *Journal of Latin American Studies*, Vol.33, No. 1. 133-155.

Peruzzotti, Enrique and Catalina Smulovitz (2002) 'Held to Account: Experiences of Social Accountability in Latin America'. *Journal of Human Development*, Vol. 3, No. 2: 209-230.

Pincus, Jonathan (2002) 'State Simplification and Institution Building in a World Bank-Financed Development Project', in Pincus, Jonathan and Jeffrey Winters (Eds.) *Reinventing the World Bank*. Ithaca and London: Cornell University Press. 76-100.

Pincus, Jonathan and Jeffrey Winters (2002) 'Reinventing the World Bank', in Pincus, Jonathan and Jeffrey Winters (Eds.) *Reinventing the World Bank*. Ithaca and London: Cornell University Press. 1-25.

Plan Nacional de Reforma Judicial (1998) Available at http://www.reformajudicial.jus.gov.ar/materiales/plannac.htm. Retrieved 17 November 2004.

Polidano, Charles and David Hulme (1999) 'Public Management Reform in Developing Countries: Issues and Outcomes'. *Public Management*, Vol. 1, No. 1. 121-32.

Pommier, Michael (2004) *Knowledge Sharing at the World Bank.* Available at http://www.accsubs.unsystem.org/ccaqfb-intranet/Productivity/knowledge%20share/WBankKM.doc. Retrieved 22 May 2005.

Porter, Tony (1999) 'The Late-Modern Knowledge Structure and World Politics', in Hewson, Martin and Timothy Sinclair (Eds.) *Approaches to Global Governance Theory.* Albany: SUNY Press. 137-157.

Radaelli, Caludio (2000) 'Policy Transfer in the European Union: Institutional Isomorphism as a Source of Legitimacy'. *Governance,* Vol. 13, No. 1. 25-43.

Radaelli, Claudio (2004) 'The Diffusion of Regulatory Impact Analysis: Best Practice and Lesson-Drawing'. *European Journal of Political Research,* Vol 43, No.5. 723-747.

Radics, Axel (2001) 'Cristal: Transparencia en la Gestión Pública'. *Revista Probidad,* Special Edition on Corruption in Argentina. No.14, May-June. Available at http://www.probidad.org/revista/014/art14.html. Retrieved 27 November 2004.

Raigorodsky, Nicolás (2004) *El Diseño de Estrategias de Prevención de Corrupción: la Experiencia Argentina.* Paper presented at IX CLAD International Conference on Reform of State and Public Administration, Madrid, Spain, 2-5 November 2004.

Ramamurti, Ravi (1999) 'Why Haven't Developing Countries Privatized Deeper and Faster?'. *World Development,* Vo. 27, No. 1. 137-155.

Ranis, Gustav (1997) 'The World Bank Near the Turn of the Century', in Culpeper, Roy, Albert Berry and Frances Stewart (Eds.) *Global Development Fifty Years After Bretton Woods: Essays in Honour of Gerald K. Helleiner.* London: Macmillan and North-South Institute. 72-89.

Razzotti, Alejandro (2003) Case study: the *Cristal Project* (Argentina). Submitted to the PREM Public Sector Group of the World Bank for the study of '*E-Applications; Overcoming Challenges Inside Government*'. File with author.

Rhodes, Rod A. W. (1997) *Understanding Governance: Policy Networks, Governance, Reflexivity, and Accountability.* Buckingham: Open University Press.

Rich, Bruce (1994) *Mortgaging the Earth: the World Bank, Environmental Development, and the Crisis of Development.* London: Earthscan Publications.

Rich, Bruce (2002) 'The World Bank under James Wolfensohn', in Pincus, Jonathan and Jeffrey Winters (Eds.) *Reinventing the World Bank.* Ithaca and London: Cornell University Press. 26-53.

Riggirozzi, M. Pia and Tracy Tuplin (2003) 'Technical Support Service for the G-24'. Available at http://www.gdnet.org/rapnet/research/studies/case_studies/Case_Study_36_Intro.html. Retrieved 10 December 2004.

Risley, Amy (2003) 'The Political Potential of Civil Society: Advocating for Access to Public Information in Argentina'. Paper presented at the 2003 Annual Meeting of the American Political Science Association, Philadelphia, Pennsylvania, August 28-31.

Risse, Thomas, Stephen C. Ropp and Kathryn Sikkink (Eds.) (1999) *The Power of Human Rights. International Norms and Domestic Change.* Cambridge: Cambridge University Press.

Ritzen, Josef (2005) *A Chance for the World Bank.* Londin: Anthem Press.

Robinson, William (1996) *Promoting Polyarchy: Globalisation, US Intervention and Hegemony*. Cambridge: Cambridge University Press.

Rose, Richard (1993) *Lesson-Drawing in Public Policy. A Guide to Learning across Time and Space*. Chatham, N.J.: Chatham House.

Ruggie, John G. (1998) *Constructing the World Polity: Essays on International Institutionalization*. London and New York: Routledge.

Sabatier, Paul A. (1993) 'Policy Change over a Decade or More', in Sabatier, Paul. A. and Hank Jenkins-Smith (Eds.) *Policy Change and Learning: An Advocacy Coalition Approach*. Boulder and Oxford: Westview. 13-39.

Samoff, Joel (1992) 'The Intellectual/financial Complex of Foreign Aid'. *Review of African Political Economy*, Vol. 19, No. 53. 60-87.

Samoff, Joel and Nelly Stromquist (2001) 'Managing Knowledge and Storing Wisdom? New Forms of Foreign Aid?'. *Development and Change*. Vol. 32, No. 4. 617-642.

Santiso, Carlos (2001) *Good Governance and Aid Effectiveness: The World Bank and Conditionality'. Georgetown Public Policy Review*. Vol 7, No. 1. 1-22.

Santiso, Carlos (2002) 'Governance Conditionality and the Reform of Multilateral Development Finance: The Role of the Group of Eight'. *G8 Governance*, No. 7. Available at: http://www.G7.Utoronto.Ca/G7/Governance/Santiso2002-Gov7.Pdf. Retrieved 3 June 2005.

Schamis, Hector (1999) 'Distributional Coalitions and the Politics of Economic Reform in Latin America'. *World Politics*, Vol. 51, No. 1. 236-268.

Senderowitsch, Roberto and Sandra Cesilini (2000) 'The Country Assistance Strategy in Argentina: How to Make a Consultative Process Work', in Anderson, Moji (Ed.) *Thinking Out Loud II Innovative Case Studies On Participatory Instruments*, Latin America and the Caribbean, Civil Society Team. Washington D.C.: World Bank. 41-54.

Sending, Ole (2004) 'Policy Stories And Knowledge-Based Regimes: The Case Of International Population Policy', in Bøas, Morten and Desmond McNeill (Eds.) *Global Institutions and Development: Framing the World?*. London and New York: Routledge. 56-71.

Shihata, Ibrahim (1995) *Judicial Reform in Developing Countries and the Role of the World Bank. Background Paper for the World Bank Conference, Judicial Reform in Latin America and the Caribbean*. World Bank Technical Paper No. 280, 1995. Washington D.C.: The World Bank.

Shihata, Ibrahim (1997) 'Law, Development and the Role of the World Bank', in Shihata, Ibrahim (Ed.) *Complementary Reform Essays on Legal, Judicial and Other Institutional Reforms Supported by the World Bank*. Cambridge: Kluwer. 3-30.

Sikkink, Kathryn (1991) *Ideas and Institutions: Developmentalism in Brazil and Argentina*. Ithaca: Cornell University Press.

Skaar, Elin (2001) 'Judicial independence and human rights policies in Argentina and Chile'. *CMI Working Paper*, No.15. Bergen: Chr. Michelsen Institute.

Smulovitz, Catalina and Enrique Peruzotti (2000) *Societal and Horizontal Controls: Two Cases about Fruitful Relationship*. The Helen Kellogg Institute for International Studies, University of Notre Dame: Notre Dame.

Squire, Lyn (2000) 'Why the World Bank Should Be Involved in Development Research', in Gilbert, Christopher and David Vines (Eds.) *The World Bank. Structure and Policy*. Cambridge: Cambridge University Press. 108-131.

Stallings, Barbara (1992) 'International Influence on Economic Policy: Debt, Stabilization, and Structural Reform', in Haggard, Stephen and Robert Kauffman (Eds.) *The Politics of Economic Adjustment*. Princeton, N.J.: Princeton University Press. 41-88.

Standing, Guy (2000) 'Brave New Words? A Critique of Stiglitz's World Bank Rethink'. *Development and Change*, No. 31. 737-763.

Stern, Nicholas and Francisco Ferreira (1997) 'The World Bank as Intellectual Actor', in Kapur, Devesh, John P. Lewis and Richard Webb (Eds.) *The World Bank: Its First Half Century, Perspectives, Vol. 2*. Washington D.C.: Brookings Institution. 523-609.

Stewart, Frances (1997) 'John Williamson and the Washington Consensus Revisited', in Emmerij, Louise (Ed.) *Economic and Social Development into the XXI Century*. Washington, D.C.: IDB. 62-69.

Stiglitz, Joseph (1998a) *More Instruments and Broader Goals: Moving Toward the Post-Washington Consensus*, WIDER Annual Lecture, Helsinki. Available at http://www.worldbank.org/html/extdr/extme/js-010798/wider.htm. Retrieved 7 May 2002.

Stiglitz, Joseph (1998b) *Towards a New Paradigm for Development: Strategies, Policies, and Processes*. Prebisch Lecture at UNCTAD, Geneva, Switzerland, October 19. Available at www.worldbank.org/html/extdr/extme/prebisch98.pdf. Retrieved 9 November 2004.

Stiglitz, Joseph (2000) 'Scan Globally, Reinvent Locally: Knowledge Infrastructure and the Localization of Knowledge', in Stone, Diane (Ed.) *Banking on Knowledge: The Genesis of the Global Development Network*. London: Routledge. 24-43.

Stiglitz, Joseph (2002) 'Participation and Development Perspectives from the Comprehensive Development Paradigm'. *Review of Development Economics*, Vol. 6, No. 2. 163-182.

Stiglitz, Joseph (2003) 'Democratizing the International Monetary Fund and the World Bank: Governance and Accountability'. *Governance*, Vol. 16, No. 1. 111-139.

Stone, Diane (1996) *Capturing The Political Imagination: Think Tanks and the Policy Process*. London: Frank Cass & Co.

Stone, Diane (2000) 'Conclusion: Knowledge, Power and Policy', in Stone Diane (Ed.) *Banking on Knowledge: The Genesis of the Global Development Network*. London: Routledge. 241-258.

Stone, Diane (2001) *Learning Lessons, Policy Transfer and the International Diffusion of Policy Ideas*. University of Warwick, CSGR Working Paper No. 69/01. April.

Stone, Diane (2002a) 'Knowledge Networks and Policy Expertise in the Global Polity', in Higgott, Richard and Morten Ougaard (Eds.) *Towards a Global Polity*. London and New York: Routledge. 124-144.

Stone, Diane (2002b) 'Using Knowledge: The Dilemmas of 'Bridging Research and Policy'. *Compare*, Vol. 32, No. 3. 285-296.

Stone, Diane (2004) 'Transfer Agents and Global Networks in the 'Transnationalization' of Policy'. *Journal of European Public Policy*, Vol. 11, No.3. 545-566.

Strange, Susan (1988) *States and Markets*. London: Pinter Publishers.

Strange, Susan (1991) 'An Eclectic Approach', in Murphy, Craig and Roger Tooze (Eds.) *The New International Political Economy. International Political Economy Yearbook No. 6*. Boulder: Lynne Rienner. 33-49.

Sutton, Rebecca (1999) *The Policy Process: An Overview*. ODI Working Paper No. 118. Available at http://www.odi.org.uk/publications/wp118.pdf. Retrieved 11 September 2004.

Tandon, Yash (2000) 'Knowledge and the Post-Washington Consensus'. *SEATINI Bulletin*, Vol.3, No. 16. Available at http://www.seatini.org/bulletins/Bulletin%203.16.htm. Retrieved 3 June 2005.

Taylor, Ian (2004) 'Hegemony, Neoliberal "good governance" and the International Monetary Fund: a Gramscian Perspective', in Bøas, Morten and Desmond McNeill (Eds.) *Global Institutions and Development: Framing the World?*. London and New York: Routledge. 124-136.

Tedesco, Laura (2002) 'Argentina's Turmoil: The Politics of Informality and the Roots of Economic Meltdown'. *Cambridge Review of International Affairs*, Vol. 15, No. 3. 469-481.

Teichman, Judith (2001) *The Politics of Freeing Markets in Latin America: Chile, Argentina, and Mexico*. University of North Carolina Press.

Teichman, Judith (2004) 'The World Bank and Policy Reform in Mexico and Argentina'. *Latin American Politics and Society*, Vol. 46, No. 1. 39-74.

Tesoro, José Luis (2003) 'Portales Pro-transparencia y Transparencia de la Anomia'. *Revista Probidad*, Edición 23, June.

Trubek, David (2003) *The Rule of Law in Development Assistance: Past, Present and Future*. Center for World Affairs and Global Economy. University of Wisconsin. Available at http://www.law.harvard.edu/programs/elrc/events/2002-2003/papers/dtrubek.doc. Retrieved 25 November 2004.

Tuozzo, M. Fernanda (2004) 'World Bank, Governance Reforms and Democracy in Argentina'. *Bulletin of Latin American Research*, Vol. 23, No. 1. 100-118.

Tussie, Diana and M. Fernanda Tuozzo (2002) 'Shooting for Reform: The Interplay of Domestic and External Constraints in Argentina', in Hveem, Helge and Kristen Nordhaug (Eds.) *Public Policy in the Age of Globalisation: Responses to Environmental and Economic Crisis*, Basingstoke: Palgrave Macmillan. 23-44.

Udall, Lori (1999) *World Bank Inspection Panel*. Paper prepared for Thematic Review: Regulation, Compliance and Implementation Options. World Commission on Dams, Cape Town, South Africa. Available at http://www.dams.org/docs/kbase/contrib/ins208.pdf. Retrieved 2 March 2003.

United Nations Development Programme, Oslo Governance Centre (2004) *Annual Report 2003*. Available at http://www.undp.org/oslocentre/docs04/Annual%20Report%202003.pdf. Retrieved 2 August 2005.

United Nations Economic Commission for Africa (1998) *Economic Report on Africa 1998*. Addis Ababa: UNECA.

United States Agency for International Development - USAID (2002) 'Achievements in Building and Maintaining the Rule of Law'. *Occasional Paper Series*. PN-ACR-220. November. Office of Democracy and Governance. Washington D.C.: USAID.

Van Trotsenburg, Axel (2003) Office Memorandum of the Country Office. Subject: 'LOAN 4314-AR: Closing Date Extension'. 31 October. On file with author.

Van Waarden, Frans (1992) 'Dimensions and Types of Policy Networks'. *European Journal of Political Research*, Vol. 21. 29-52.

Verbitsky, Horacio (1993) *Hacer La Corte: La Creación de un Poder sin Control ni Justicia*. Buenos Aires: Planeta Espejo.

Wade, Robert (1996) 'Japan, the World Bank, and the Art of Paradigm Maintenance: The East Asian Miracle in Political Perspective'. *New Left Review*, No. 217, May/June. 3-36.

Wade, Robert (2002) 'US Hegemony and the World Bank: the Fight over People and Ideas'. *Review of International Political Economy*, Vol. 9, No. 2. 215-243.

Walker, Louise (2003) *Knowledge Sharing: Start-up of the Development Gateway*. OED Working Papers. Washington D.C.: World Bank.

Weaver, Catherine (2005) *The Poverty of Reform: Rhetoric and Reality in the World Bank*. Paper prepared for Workshop for Researchers on the World Bank, Central European University, Budapest, April 1-2, 2005.

Weaver, Catherine, Daniel Nielson and Michael Tierney (2004) *Bridging the Rationalist-Constructivist Divide, Engineering Change at the World Bank*. Available at http://people.ku.edu/~cweaver/research.html. Retrieved 2 February 2005.

Wendt, Alexander (1994) 'Collective Identity Formation and the International State'. *American Political Science Review*, Vol. 88, No.2. 384-396

Wendt, Alexander (1995) 'Constructing International Politics'. *International Security*, Vol. 20, No. 1. 71-81.

Wendt, Alexander (1999) *Social Theory of International Relations*. Cambridge: Cambridge University Press.

Wenger, Etienne (1998) *Communities of Practice: Learning, Meaning, and Identity*. Cambridge: Cambridge University Press.

Weyland, Kurt (1998) 'Swallowing the Bitter Pill: Sources of Popular Support for Neoliberal Reform in Latin America'. *Comparative Political Studies*, Vol. 31, No 5. October. 538-568.

Wiener, Antje (2003) 'Constructivism: The Limits of Bridging Gaps'. *Journal of International Relations and Development*, Vol. 6, No. 3. 252-275.

Wilks, Alex (2001) *Development through the Looking Glass: The Knowledge Bank in the Cyberspace*. The Bretton Woods Project. Available at http://www.brettonwoodsproject.org/topic/knowledgebank/gateway/lookglass.doc. Retrieved 20 February 2003.

Wilks, Alex (2004) *The World Bank's Knowledge Role: Dominating Development Debate*. The Bretton Woods Project Available at http://brettonwoodsproject.org/article.shtml?cmd[126]=x-126-51862. Retrieved 13 September 2004.

Wilks, Alex and Febien Lefrançois (2002) 'Blinding with Science or Encouraging Debate? How World Bank Analysis Determines PRSP Policies'. *Bretton Woods Project*. Available at http://www.brettonwoodsproject.org/topic/adjustment/blinding/blindful.pdf. Retrieved 2 June 2005.

Williams, David and Tom Young (1994) 'Governance, the World Bank and Liberal Theory'. *Political Studies*, Vol. 42, No. 1. 84-100.

Williamson, John (1990) 'What Washington Means by Policy Reform', in Williamsom, John (Ed.) *Latin American Adjustment.* Washington D.C.: Institute for International Economics.

Williamson, Oliver (1985) *The Economic Institutions of Capitalism.* New York: The Free Press.

Wolfensohn, James (1996) *People and Development*, Annual Meetings Address. Speech delivered to the Board of Governors, October 1.

Woods, Ngaire (1999) 'Good Governance in International Organizations'. *Global Governance*, Vol. 5, No.1. 39-61.

Woods, Ngaire (2000) 'The Challenges of Multilateralism and Governance', in Gilbert, Christopher and David Vines (Eds.) *The World Bank. Structure and Policy.* Cambridge, Cambridge University Press. 132-156.

Woods, Ngaire (2003) 'Unelected Government: Making the IMF and the World Bank More Accountable'. *The Brookings* Review, Vol. 21, No.2. 9-12.

Woolcock, Michael and Deepa Narayan (2000) 'Social Capital: Implications for Development Theory, Research and Policy'. *The World Bank Observer*, Vol. 15, No. 2. 225-249.

World Bank (1989) *Sub-Saharan Africa: From Crisis to Sustainable Growth.* Washington D.C.: World Bank.

World Bank (1992a) *Governance and Development: Issues and Constraints.* Washington D.C.: World Bank.

World Bank (1992b) *Convenio Constitutivo.* Washington D.C.: World Bank

World Bank (1992c) *Effective implementation: Key to development impact. Report of the Portfolio Management Task Force.* Washington, D.C.: World Bank.

World Bank (1994) *Governance: The World Bank's Experience.* Washington D.C.: World Bank.

World Bank (1996a) *The World Bank Participation Sourcebook.* Washington D.C.: World Bank.

World Bank (1996b) *Country Assistance Strategy Review.* Report No. 15844. OED. Washington D.C.: World Bank

World Bank (1997a) *Helping Countries Combat Corruption: The Role of the World Bank.* Washington D.C.: World Bank.

World Bank (1997b) *World Development Report 1997: The State in a Changing World.* Washington D.C.: World Bank.

World Bank (1997c) *OED Précis.* Operations Evaluation Department, No. 137, March. Washington D.C.: World Bank.

World Bank (1997d) *Guidelines: Selection and Employment of Consultants by World Bank Borrowers and the World Bank.* Washington D.C.: World Bank.

World Bank (1998a) *Annual Report.* Washington D.C.: World Bank.

World Bank (1998b) *Project Appraisal Document. Model Court Development Project.* Report 17459-AR. PREM and Argentina, Chile, Uruguay Country Management Unit. Unpublished document.Washington D.C.: World Bank.

World Bank (1998c) *Project Appraisal Document. Year 2000 Technical Assistance Project.* Report 18521. Washington D.C.: World Bank.

World Bank (1999) *World Development Report 1998/1999: Knowledge for Development.* New York: Oxford University Press.

World Bank (2000a) *Reforming Public Institutions and Strengthening Governance: A World Bank Strategy. A World Bank Strategy.* November. Public Sector Group and PREM. Washington D.C.: World Bank.

World Bank (2000b) *World Development Report 2000/2001: Attacking Poverty.* New York: Oxford University Press.

World Bank (2000c) *Country Assistance Strategy*, Report No. 20354. Washington D.C.: World Bank.

World Bank (2000d) *Anti-Corruption Diagnostic for Argentina: An Overview of Three Reports and General Recommendations.* Report No. 20133-AR. PREM and Argentina, Chile, Uruguay Country Management Unit. Washington D.C.: World Bank.

World Bank (2001a) Wor*ld Development Report 2002: Building Institutions for Markets.* Washington D.C.: World Bank.

World Bank (2001b) *Initiatives in Legal and Judicial Reform.* Legal Vice Presidency. Washington D.C.: World Bank.

World Bank (2001c) *Governance: The Critical Factor.* OED. Washington D.C.: World Bank

World Bank (2001d) *Strategic Compact Assessment.* March 15. World Bank, Washington D.C.: World Bank.

World Bank (2001e) *Argentina. Legal and Judicial Sector Assessment.* Legal Vice Presidency. Washington D.C.: World Bank.

World Bank (2001f) *Comprehensive Development Framework Meeting the Promise? Early Experience and Emerging Issues.* CDF Secretariat. Washington D.C.: World Bank.

World Bank (2001g) *Participation in Development Assistance.* OED. No. 209. Washington D.C.: World Bank.

World Bank (2001h) 'Issues Note: E-Government and the World Bank'. *PREM Notes No. 91*, November. Washington D.C.: World Bank.

World Bank (2002) *Reforming Public Institutions and Strengthening Governance: A World Bank Strategy. Implementation Update Part 2.* Regional, DECRG and WBI Updates. April. Washington D.C.: World Bank.

World Bank (2003) *Sharing Knowledge: Innovations and Remaining Challenges.* OED. Washington, D.C.: World Bank.

World Bank (2004a) *Initiatives in Legal and Judicial Reform.* Legal Vice Presidency. Washington D.C.: World Bank.

World Bank (2004b) *2003 Annual Review of Development Effectiveness: The Effectiveness of Bank Support For Policy Reform.* OED. Washington D.C.: World Bank.

World Bank (2004c) *Mainstreaming Anti-Corruption Activities in World Bank Assistance: A Review of Progress Since 1997.* Report No. 29620. OED. July 14. Washington D.C.: World Bank

World Bank (2004d) 'Operationalizing Political Analysis: the Expected Utility Stakeholder Model and Governance Reforms'. *PREM Notes No. 95*, November. Washington D.C.: World Bank.

World Bank (2005a) *Review of World Bank Conditionality: Issues Note.* Operations Policy and Country Services. January 24. Washington D.C.: World Bank.

World Bank (2005b) *Inclusive Governance: Empowering the Poor and Promoting Accountability in Latin America and the Caribbean Region.* Regional Framework and Strategy for Engaging Civil Society. Latin American and the Caribbean Region, Civil Society Team. Washington D.C.: World Bank.

World Bank Institute (2000) *Annual Report.* Washington D.C.: World Bank.

World Bank Institute (2002) *Legal and Judicial Reform and the Control of Corruption in Latin America and the Caribbean. A Distance Learning Program for Bolivia, Colombia, Ecuador, Guatemala, Mexico and Peru.* May 23-July 3. Available at http://www.worldbank.org/wbi/governance/judicial-lac.htm. Retrieved 22 May 2005.