

Invested Interests: Capital, Culture and the World Bank

by Bret Benjamin, University of Minnesota Press, 2007, 274 pp.

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Bret Benjamin promises a more ‘careful,’ ‘nuanced’ and ‘sophisticated’ analysis of the World Bank (pp. xi-xv) by understanding it as a ‘cultural as well as an economic institution (p. xii).’ He is only partly true to his word.

Textual excavations

Using documentary evidence from the Bank’s archives dating back to the 1944 Bretton Woods conference – speeches, brochures, pamphlets and meeting minutes – he exposes the Bank’s inner workings, criticising other cultural theorists for their ‘almost complete reliance on the social sciences when it comes to forming conclusions about the World Bank (p. xxi).’ Without a doubt, these archival excavation of these archives were my favourite parts of the book – revealing hidden texts surprising in their bluntness if unfortunately customary in their sentiment.

In 1944, faced with the Bretton Woods attendance list, which included for the first time at such a prestigious international forum twenty or so developing countries, Lord Keynes declared it: ‘The most monstrous monkey-house assembled for years.’ (p. 16). Texts from the late 1940s reveal the degree to which the Bank wooed, like a love-sick adolescent boy, the Wall Street bankers who were to finance Bank lending (Chapter 2). Indeed, many of the documents that Benjamin uncovers reinforce standard contemporary gripes about the Bank. Do you think that the Bank is an instrument of US-directed neo-colonialism, dressing up its imperial work as ‘progress’ and ‘development?’ A statement by the first Bank president will provide historical evidence for your observations. In 1947, discussing the dominant role of the United States in the post-WWII era, John McCloy stated:

This position gives the United States an opportunity to contribute to the recovery of the world, and to its own prosperity, an opportunity perhaps unparalleled except by the experience of Great Britain. As Great Britain then enhanced its own economic position by financing industrial and agricultural development throughout the world – railroads in the Balkans, gold mining in South Africa, rubber plantations in the Far East, to pick but a few random

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examples – so the United States today has what appears to be a comparable opportunity to contribute to a prosperous and expanding world economy by assuming the large role in international investment which its favourable productive position makes possible (p. 49).

Do you think, as Ngaire Woods clearly puts it in her recent book *The Globalizers: The IMF, the World Bank and Their Borrowers*, that the Bank has ‘paid lip-service to a new, more participatory and inclusive formulation of policy’ without making any substantive changes to its practices? [1] If so, turn to Chapter 3 of *Invested Interests* where Benjamin discusses the formation of the International Development Agency (IDA; part of the World Bank Group) as a measure to foster the illusion of ‘inclusion’ of the world’s (recently decolonised) poorest countries into Bank practice. The author uncovers a statement by Burke Knapp, a senior Bank official in 1961, in which he discusses why the United States preferred to fund the IDA rather than the proposed Special United Nations Fund for Economic Development (SUNFED): ‘[A]n agency administered under the United Nations would presumably be dominated by the underdeveloped countries if the voting was on a unit basis ... (p. 62).’ The IDA, with its stated mission of providing very low interest loans to the most ‘uncreditworthy’ of sovereign borrowers, thus fostered the illusion of caring for the world’s have-nots, while ensuring in reality the continued dominance of the Bank and its agenda by the United States.

Literary explications

Especially impressive is the meticulous manner in which Benjamin teases out the hidden meanings behind the language of Bank documents through close reading. Benjamin’s ability to analyse the language and images employed in Bank documents alongside literary works such as Fanon’s *Wretched of the Earth* and Arundhati Roy’s 1997 *The God of Small Things* – like his creation of a new literary genre ‘World Bank literature’ – constitute an important contribution to radical scholarly Bank debates.

A brilliant passage of this sort can be found in Chapter 4 where Benjamin discusses the threat posed to the capitalist order by the anticolonial cultural and political movements of the late 1950s and early 1960s. Weaving together an analysis of anticolonial movements, Fanon’s anticolonial masterpiece *The Wretched of the Earth*, and the role of the Bank during this era, Benjamin reveals the Bank as one

of the mechanisms by which global capitalism survived in the face of one of the greatest threats to its existence:

The contradiction that Fanon identifies between capital's unquenchable need for expansion and its powerful aversion to risk could hardly articulate a more accurate job description for the World Bank. With its stated mission to 'supplement private investment' by lending for projects that would otherwise be too risky – in other words, precisely to unblock and unfreeze the flow of international capital – the World Bank steps in to bridge the contradiction upon which Fanon stakes his argument (p. 115).

Commonplace conclusions

However, while Benjamin's method – both in terms of his use of sources and his deployment of analytical tools – renders his critique of the Bank more nuanced, his conclusions do just the opposite. Sadly, Benjamin's ultimate assessments are rather commonplace within Leftist debates about the Bank:

1. The Bank does not, and never did, act in the interests of the world's poor; and, the correlate argument that,
2. The Bank was never meant to be a 'development' institution, rather it was intended to reconstruct Western Europe after WWII;
3. The Bank proselytises on behalf of the Capitalist faith (Benjamin argues on page 7 that the one constant over the years for the Bank is its 'unshakeable faith in capitalism and the power of the market.' The author appears to see 'the market' as inherently anathema to economic justice in the manner of orthodox Marxism).
4. The Bank uses its influence to further US economic and political objectives; and, thus,
5. The Bank is decidedly undemocratic.
6. The Bank uses writing and rhetoric (in Benjamin's words, the rhetoric of 'inclusivity') to ensure the hegemony of neoliberal policy and the capitalist system. Benjamin more or less sketches Antonio Gramsci's old and powerful argument about the manner in which a hegemonic system is maintained in the face of opposition. Crucially, but still not especially new, he makes the case that the Bank changes its definitions of 'development' in response to outside criticism, but never really changes at the core. On this list are: the turn to 'social lending' in the early 1960s; to 'poverty' under McNamara's leadership; and to 'women,' and later to 'gender,' as critical development concepts. Although he doesn't mention

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these, one could just as well list the Bank's turn to 'corruption' and 'institutions' following the 1980s debt crisis and its emphasis today on addressing global inequalities.

7. Benjamin's final pages tell us what the author's final goal is: 'the abolition of the Bank' (p. 219). No danger of nuance here.

Benjamin argues that the Bank is adaptive and malleable, changing over time in response to outside pressures (at times even incorporating 'the enemy' into the Bank machine; see Chapter 5 on Bank responses to NGO criticisms). However, he only plays with the idea that the Bank may not be monolithic *at any single moment* in time. (These 'teasers' can be found on pages 46-7 with the discussion of perceptions of colonialism within the Bank, and on page 151 where he speaks of the Bank as 'necessarily schizophrenic.')

He might have done more than play with the idea. It is surely imprudent to suggest that all Bank employees and researchers and technicians are single-minded automatons, taking ideological directive from the speeches and insights of its leadership. The recent experience of former Bank President Paul Wolfowitz, who came under enormous internal criticism, is just one recent example of this point. If that criticism had been limited solely to his role in securing a high-paying position for a friend, this sort of internal division might be appropriately ignored. However, criticism of Wolfowitz also revolved around his formulation of development policy – in particular the withholding of development loans from corrupt governments and so-called 'failed' states. While it would be unfair to ask Benjamin's book to have discussed this very recent development, it does point to the likelihood of similar discontinuities and disagreements within the Bank in past times. Virtually all working papers found on the Bank's website carry the warning: 'The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors. They do not necessarily represent the view of the World Bank, its Executive Directors, or the countries they represent.' Such warnings are necessary because Bank researchers and technicians do at times go against the official grain. Attention to such internal strife, to *World Bank culture itself*, offers up a tantalising space for thinking about the future of the World Bank.

Political proscriptions

The conception of the Bank as a monolith conditions Benjamin's proscription: abolition. He criticises the World Social Forum for making the fatal mistake of

unwittingly inviting the fox into the henhouse: '[It] must not forego considerations of equity and exploitation in its rush to form inclusive alliances (p. 201).' If the Bank's adaptive nature tells us anything, Benjamin asserts, it is that it will mold itself to participate in and influence any fora that unwittingly leave the door open. Even at the World Social Forum, so frequently a place where it is attacked, the Bank has made inroads, sending several representatives to the Forum's 2004 meeting in Mumbai, one of whom delivered a speech.

The Bank should be excluded from the forums that seek wide-ranging structural change of the world economy in the interests of justice and equity: 'To insist that these institutions [i.e. the Ford Motor Company and the World Bank] be considered participants is to perpetuate the most disabling forms of "representation", giving disproportionate voice to institutions that have consistently and effectively worked to preclude the participation of the majority of the world's population (p. 198).' Later, he writes: '...its [the World Social Forum's] efforts to theorise democracy, its embrace of participatory forms of organisation...have successfully mobilised hundreds of thousands, at times millions, of people across the globe. These radical tendencies cannot be taken for granted, however. As we have seen, the World Bank, already speaking from certain WSF lecture podiums, eagerly awaits the opportunity of partnership (p. 202).' In short, leaving space for the Bank to be part of the solution to global problems of economic inequity and injustice is crazy (the Bank is, always has been and always will be an instrument of capitalist exploitation) and dangerous (the Bank is likely to co-opt the opposition movements that it confronts, transforming them into instruments of domination and oppression).

It is on the grounds of the exclusion of the Other that the author criticises the Bank, but it is in the repetition of this sin that Benjamin sees hope for the future; only this time the Other will be the Bank itself. Benjamin treads the road that Karl Marx and Friedrich Engels, and Franz Fanon travelled in the 19th and 20th centuries, respectively. In *The Communist Manifesto*, Marx and Engels set out the revolutionary prescription for the proletariat to simply take the place of the bourgeoisie, excluding the latter from the apparatus of power and ownership: 'We have seen that the first step in the revolution by the working class is to raise the proletariat to the position of ruling class to win the battle of democracy. The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralise all instruments of production in the hands of the state, i.e. of the proletariat organized as the ruling class.' [2]

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Fanon's *The Wretched of the Earth*, commented on the desire of the colonised man to take the place of his colonial master, to replace Other with Self: 'The last shall be first and the first last.' [3] This was the motto of the revolutionary, anticolonial independence movement. A few pages later, Fanon writes: 'The look that the native turns on the settler's town is a look of lust, a look of envy; it expresses his dreams of possession – all manner of possession: to sit at the settler's table, to sleep in the settler's bed, with his wife if possible. The colonised man is an envious man.' [4]

The same 'envy,' so apparent in the desires of Marx's 'proletariat' and Fanon's 'colonised peoples,' can be sensed in Benjamin's prescription to exclude the Bank from collectivities that seek a more just and equitable global order. Do we take the capitalists out back and shoot them? Do we rape the settler's wife? Or do we, as the World Social Forum has, pressure the capitalist and the former-coloniser to be participants in creating a system based on justice and equity? In his last Sunday sermon, Dr. Martin Luther King Jr. spoke for the latter course.

Through our scientific and technological genius, we have made of this world a neighbourhood and yet... we have not had the ethical commitment to make of it a brotherhood. But somehow, and in some way, we have got to do this. We must all learn to live together as brothers. Or we will all perish together as fools. [5]

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Notes

[1] Woods 2006, p. 3.

[2] Marx and Engels 1998, p. 75.

[3] Fanon 1963, p. 37.

[4] Fanon 1963, p. 39.

[5] King 1986.