

The Role of the World Bank

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The World Bank is one of the Bretton Woods institutions that is primarily structured to enable various countries across the world to battle poverty by providing various forms of development assistance. The World Bank is acknowledged for its positive impact in addressing poverty around the world. On the other hand, however, the Bank is associated with negativities which have painted it as not standing for its primary purpose. As such, there are various proponents of both views regarding the positive and negative impacts of the World Bank. Among the proponents of the positive roles of the World Bank includes the Bank itself and what may be considered as mainstream supporters of the status quo of the global economic system. On the contrary, the supporters of the negative impacts of the World Bank include individuals and organizations that characterize themselves as progressives. These are entities that are mostly anti-status quo and always fighting for equality which the World Bank seem not to be keen enough to address.

Accordingly, the World Bank defends its positive impact by pointing out certain specifics. For instance, some of the positive impacts pointed out include advocating for low carbon, providing safe water and sanitation for all people, championing for digital technologies, facilitating better transport infrastructure, enhancing partnerships with the private sector on infrastructure, promoting agriculture as a way of creating jobs, promoting the protection of natural resources, facilitating investments through reforms by reducing risks, promoting new sources of financing, promoting the mobilization of domestic resources to offer effective services, and enhancing trade and integration (World Bank, 2021).

Of course, the World Bank is always expected to defend its work by painting it as highly impactful in a positive manner. The Bank cannot afford to shoot itself in the foot by disregarding

its own work. More importantly, its policy lending is also a tool that can be effectively used to enhance the adoption and implementation of policies that would lead to better lives. As such, one of the most enduring challenges of today – climate change – can be effectively addressed by the help of the World Bank through policy lending (George, 2020). In essence, policy lending can be pointed out as one of the positive impacts of the World Bank; an effective instrument and/or tool than can be utilized to achieve constructive policy outcomes.

Furthermore, the contribution of the World Bank toward economic development especially after the World War II is considered as its lasting positive outcome in the world. The dramatic post-war recovery was majorly aided by the World Bank considering that the Bretton Woods institutions were set up to promote economic stability in the world following the debilitating effects of World War II (Kanbur, 2016). The lending provided by the Bank was instrumental in jumpstarting economies especially in the West by promoting massive infrastructural development (Kanbur, 2016). This created a model for the World Bank to adopt and use in the course of enabling the developing countries stabilize their economies especially through development financing and technical assistance.

But despite the positive outcomes cherished by some including the World Bank itself, there are dissident views on the role of the Bank and thus the negativities associated with it. For instance, the World Bank is accused for failing to promote democratic governance, a central tenet which is highly touted by the United States of America and other leading democracies in the world that are biggest supporters of the Bank. More specifically, the World Bank is accused of promoting structural underrepresentation of countries from the Global South (Bretton Woods Project, 2019). Despite its many years of existence, the World Bank's leadership and major decision-making framework is dominated by the powerful countries. This implies that the

majority of the Global South countries literally have no voice in the decision-making which is shameful considering that they are the biggest beneficiaries of the World Bank's development and technical assistance.

The dominance of the World Bank – and thus its undemocratic nature – by the USA and European countries has forced some of the Global South countries to champion for the establishment of regional banks (Kanbur, 2016). Some of the banks that are now competing with the World Bank include the Asian Infrastructure Investment Bank led by China and the New Development Bank launched by Brazil, Russia, India, China and South Africa (Kanbur, 2016). The emergence of these banks has also led to a decrease in dependence on the World Bank and also reduced its capitulation as the aforementioned countries have redirected their support toward the multiregional banks (Kanbur, 2016).

Equally important, the World Bank is accused of having a poor human rights record. Accordingly, some of the development projects financed by the World Bank cause major harms to members of the local communities who are mostly voiceless and find it difficult to put up their case against the Bank (Bretton Woods Project, 2019). Furthermore, the World Bank barely presents convincing evidence for positive impacts of its development projects while at the same time, it does not bother measuring the harmful impacts of the projects it finances (Bretton Woods Project, 2018). This paints the World Bank as only hellbent on presenting a positive image of being the greatest champion for reducing poverty and inequality in the world.

A notable example of the negative effects of the projects financed by the World Bank is a \$147 million hydropower project in the Democratic Republic of Congo (DRC) in Africa. In the case of this project, the land was acquired in an unfair manner not in accordance with the country's laws and this led to the suffering of members of the local community (BIC, n.d.).

Additionally, the activities leading to the construction of the power project were associated with environmental degradation and this damaged the health status of members of the local community (BIC, n.d.). The dust and huge pits are some of the environmental hazards that the local community experienced.

What's more, the World Bank is accused of championing for the adoption and implementation of the structural adjustment programs (SAPs) which had adverse effects on the populations of various countries (Thomson et al. 2017). One of the sectors that was massively affected by the SAPs especially in the 1990s is health care. More specifically, the SAPs meant that governments had to employ austerity policies by cutting public spending and increasing taxes (Thomson et al. 2017). As such, this led to a reduction in public spending on essential services such as health care. Maternal and child care were the most affected considering the vulnerable nature of women and children (Thomson et al. 2017). This, in the long-run, affects the attainment of sustainable development and a healthy workforce. Certainly, this is a policy issue that needs rethinking by the World Bank.

Opinion makers certainly play a fundamental role in shaping the discussions regarding the positive and negative impacts of the World Bank. The media is one of the most notable entities that shapes the role of the World Bank. Additionally, the fervent supporters of the World Bank use both mainstream and new media to proclaim the positive role of the Bank in advancing development assistance. Despite its shortcomings, the West still supports the activities of the World Bank especially in era where China has emerged as a major global power player. The Western media is certainly shaping opinion on what the World Bank can do to help counter China's growing influence especially in the Global South.

But the World Bank faces growing criticism everyday on the account of its structural problems such as being undemocratic and not allowing for fair representation. Also, the World Bank is condemned for its failure of the SAPs which turned out to be more of a burden than success. Some of the leading anti-World Bank voices include powerful countries in the Global South such as China and Russia, progressives in the developed world, civil society movements in the Global South and some of the intellectuals in the developed and developing countries.

One of the recommendations to ensure that the World Bank plays a more nuanced role in fair globalization is to allow for fair representation by all countries. This should involve giving member states equal voting power and rights and therefore reduce the dominance of the USA and European countries. Fair representation at the World Bank would mean that member countries will have the opportunity to evaluate the proposed policies and development and technical assistance especially for the developing countries. Such a high level of transparency will enhance a high degree of accountability, and in the process, help to ensure that projects financed by the World Bank prioritize human rights and the voices of the local communities. More importantly, there is need for governments of the developing countries to subject the SAPs proposed by the World Bank to public debate and voting. This will enable citizens to understand the content of the SAPs and be in a position to support or deny their adoption. This will prompt the Bank to change its approach to policy and ensure it only advocates for progressive policies.

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