Book Review


This book is about “Robert McNamara’s efforts to reorient the World Bank towards a more explicit concern with poverty alleviation in the world’s poor countries.” The World Bank is one of the most important (and probably the biggest) financial institutions which have been providing both technical and financial assistance to many developing countries for more than thirty years. The traditional role of the Bank has been that of helping the developing countries in their process of development by providing loans for projects with maximum growth effects. For quite a number of years in the post-war period these loans were granted mainly for infrastructure projects which were considered a prerequisite for development. An evaluation of such projects was relatively easy as their effects on the rest of the economy were easily quantifiable. Loans for social-overhead projects received relatively low priority as their output was not directly measurable and the element of risk was also high in such loans.

This basic approach of the World Bank towards economic development changed considerably when Robert McNamara took over as its President in 1968. This book analyses in detail how during his presidency McNamara shifted the Bank’s focus from economic infrastructure to poverty alleviation. Knowing the limitations of the ‘trickle-down strategy of development’, McNamara rather favoured a direct attack on poverty, keeping in mind its various dimensions. He was very much concerned with the conditions of the poor, especially in the developing countries, and this concern later took the form of a new development strategy of the World Bank in the form of greater emphasis on, and increased loans for, projects in the fields of housing, education, health and other anti-poverty programmes.

Most people know the World Bank only through its various reports and other publications. It has a reputation of being reticent so that not much is known about what goes on behind the scene. The author of this book was successful in obtaining access to the unpublished material of the Bank and to interview more than three hundred of its staff members. The book therefore contains some rare information about the Bank and its activities.

After examining the historical evolution of the Bank and the changes that took place in it under McNamara and after giving an elaborate description of the structure
Chapter 4 of the book deals with the Bank's theory of poverty alleviation. It gives a critical evaluation of the ideas that developed in the Bank for increasing the welfare of the poorest groups of population in the developing countries. Basically, there were two approaches of poverty alleviation—one contained in the Bank's semi-official publication entitled *Redistribution with Growth*, and the other the "basic human needs" approach. This chapter contains an elaborate discussion of the two strategies and their policy implications.

The next four chapters deal exclusively with the specific poverty-alleviation projects in rural and urban areas, and an analysis of their implementation. In Chapters 5 and 7, the author explains at length the various features of the rural and urban development programmes and the specific objectives which such programmes were expected to achieve. In rural areas, for example, the basic objective was to raise the levels of output and incomes of the target groups. Various rural development programmes were formulated to achieve these objectives through provisions of loans to small farmers, extension services in the agricultural sector, construction of primary as well as secondary and feeder roads, provision of health and education facilities, and investments in irrigation, livestock development, soil and water conservation, and other similar projects. Urban development programmes, on the other hand, aimed at improving the living conditions of the poor through construction of new houses as well as upgrading of the slums, and provision of clean water, sewerage system, and other facilities like education and transport.

The success of any programme, howsoever good it may be, depends essentially on its implementation. Chapters 6 and 8 of the book give a detailed analysis of the implementation of rural and urban development programmes, respectively. In these chapters the author discusses individual projects in different countries and analyses the problems which arose during the implementation stage, their possible causes, and also the extent to which the objectives of such projects were achieved. These chapters constitute the central theme of the book giving a useful survey and evaluation of the World Bank's rural and urban anti-poverty projects.

An interesting discussion about the politics of the Bank's poverty-oriented projects is given in Chapter 9 where the author examines different hypotheses about the anti-poverty projects and the political system and development policies in the recipient countries. These hypotheses include sincerity of the regimes in implementing anti-poverty projects, dynamics of "tail of foreign assistance" wagging the "dog of the recipient country", development assistance going not to countries but to specific agencies in those countries, projects being examples of tokenism which recipient countries use to buy off discontent, and the possible use of projects to consolidate authoritarian or corporate regimes. Chapter 10 gives a brief review of the Bank's policies during McNamara's presidency and also examines the approach adopted by the Bank's new President and its implications for the anti-poverty work.

Written in an historical perspective, this book gives a very comprehensive analysis of the World Bank's poverty-oriented work in the developing countries initiated by Robert McNamara, who was not only the author of this policy but also the driving force behind it. The vastness of the material covered in the book and its in-depth analysis show the author's profound research work. The clarity of thought, coupled with fluency of expression, keeps the reader fully absorbed and guarantees to hold his continuous interest in this study. The book furnishes a unique introduction to the World Bank and its activities, which otherwise would have remained obscure. It is indeed a very successful and commendable attempt on the part of the author and makes a valuable addition to the existing literature.

Pakistan Institute of Development Economics, Islamabad.

Aftab Ahmad Cheema