# Introduction

The exotic image of the missionary tending to the needy in far-off lands and bringing civility to the uncivilized may be history, but in the globalized economy of today another sort of missionary work may be operating, far more subtle than its religious predecessor and far more dangerous for its subtlety. If we exchange the black robe of the missionary for a pin-stripe suit—each a symbol of power—and the Bible for a bank ledger, with globalization as the holy grail, we may not be far off from an acceptable analogy of how the World Bank operates today.

The purpose of any mission, historically as well as currently, is to diffuse certain ideas into targeted populations so that actions arising out of those newly bestowed ideas will serve the sponsors of the mission. Missionary work has always meant—and today still means—changing the minds of those who are being colonized. It is an intellectual form of coercion. Missionaries are first and foremost agents of change, and as agents they come to represent and bestow, not to listen and learn. The primary requisite of missionary zeal is that one is in possession of the truth.

The powerful church of the colonial era has been replaced by a cadre of institutions that are equally, if not more, powerful than the church ever was. The field of dissemination is not religious but economical. And the main objective is corporate globalization. These central institutions, uniquely positioned within the web of the world's major economic players, be they countries or corporations, are the World Bank, the International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD). And the capital they wield is not only monetary, it is social and symbolic, currency that is ubiquitously dispersed throughout the world by some of the largest information collection and dissemination agencies world-wide.

This book examines how the World Bank acts with missionary zeal, using missionary tactics, in the diffusion of its economic ideologies into undeveloped and developing countries. We follow the money, especially into the social arenas of borrower countries, and reveal how these modern-day evangelists directly affect the lives of citizens.

## Banker as Missionary

While there are countless studies and critiques of the growth and effects of globalization, this book focuses on the practices that carry the ideologies of the central economic powers into the day-to-day lives of people in distant cultures. We maintain that since the internationalization of major financial markets, technology and certain important sectors of manufacturing and services, particularly since the 1970s (Hirst and Thompson 1999), there has been insufficient discussion of the actual mechanisms and coordinating agencies that *facilitate* globalization.

It is as facilitator and agent of globalization that we see the World Bank. We apply our scrutiny to the direct effect on third world countries, in particular in Latin America, by groups that actively promote the spread of a particular breed of financial practice—regardless of social outcomes—groups such as the World Bank and IMF. More specifically we scrutinize education loans from the World Bank to developing countries and the micro-politics involved in the administration of those loans, as an example of what we refer to in this book as missionary encounters.

The World Bank uses prescribed mechanisms, attached to loan agreements, to facilitate its economic agendas. These mechanisms can be compared to the vestments and rituals that are part of the high mass or other sacraments in the church. In the case of loans, the priests of the World Bank bring with them key practices that define economic responsibility—in the same seamless way that specific rituals define what it means to be a practising member of a congregation. The authenticity of these practices—accountability mechanisms, the regulated publication of reports, incentive mechanisms, performance indicators, technical assistance programs, external consultative imperatives—are not to be questioned by the congregation. Under the guise of knowing what is best for the people of the borrower country, these sacred rites are clearly designed to introduce particular forms of behaviour. Even the language is specialized, far from the vernacular, and the closer to the central power the communicants are, the more rarified the language.

Language is key. Identifying what is missing is the first step: deficits that, before their naming by the missionaries, seemed not even to exist. In the same way the missionaries framed the daily activities of the pagans as lacking in godliness before offering to fill the empty vessels of their souls, the lending body constructs a particular lack in the Indigenous and historical trading and economic activities of the local population. This lack is called No Accountability, or No Reporting Mechanisms (read "corruption"). The poor do not have the "information systems" to "manage their institutions" and are therefore poor, which sad state locks them out of Paradise—that is, unless they change their ways. Luckily the Bank's missionaries are there to initiate salvation—with specific management systems, proper reporting mechanisms, contracting procedures and auditing practices, all well-researched and proven in a land far away, with clear ideas of what constitutes paradise on earth but with little in common with the borrower country. It is these practices, imposed as part of the lending agreement, that change the language of daily commerce and social work and more importantly the way people think about their responsibilities as citizens. In other words, the language of commerce and accountancy make tangible incursions into areas of public life, such as social welfare, health and education, where it distorts the values of those non-corporate endeavours.

This book tracks those distortions, particularly in the case of social and education services. We demonstrate how the philosophical underpinnings of systems based in a distant locale have no real connection to the local community-building resources, and we look at the problems that arise from defining non-business activities as investment activities—such as "investing in education"—with returns measured in narrow economic terms, when the real returns for activities that nurture human development and social values are in fact immeasurable.

It is no accident that residential and missionary schools were used as control mechanisms in colonizing targeted populations. The social strata ties together the economic, governmental, cultural and industrial sectors—and at the core of the social strata is education. No individual, family, business or social group is untouched by a country's education systems and policies. Thus we pay particular attention to the impact of the World Bank on the education systems of developing nations. It may surprise some readers to learn that the World Bank is very influential in education policy world-wide. Most would link the World Bank with business, financial institutions and industry—and perhaps tangentially as a player in aid programs. However, predominant political discourses position education as a panacea for the economic problems of both individuals and societies, and the World Bank is a global leader in configuring education as a compulsory investment in order to achieve economic prosperity. From the perspective of the World Bank, education is central to development—not education in the classic sense but primarily as a tool that empowers people economically while strengthening nationhood. It is seen as a powerful "equalizer," opening doors to all so they can lift themselves out of poverty (World Bank 2005d: 29). And the Bank, naturally, is in a good position to "invest in education."

## The Power of Numbers

Although the World Bank was initially capitalized with nominal subscriptions from its member governments, the majority of its financing is raised through capital markets (Jones 1992).[1] The Bank is the primary provider of development assistance loans in the world, lending more than $22 billion in the 2003 fiscal year and supporting over 440 new projects. It operates in more than a hundred developing countries and has more than 10,000 development professionals from nearly every country in the world working in its Washington, DC, headquarters and in its 109 country offices.

These are impressive numbers. And when processed through the unforgiving grinder of accounting mechanisms and used as reductive measurements, the result is the homogenization of social practices—across all institutional fields. In globalization discourses the structural and social touchstones of geography and local autonomy evaporate completely. This homogenization process can have a malignant effect on the collective as well as the personal sense of self-worth and autonomy of those caught in the. This depersonalizing—indeed, we might even say dehumanizing—diffusion of practices implicit in globalization is likely to carry with it an impending sense of inevitability, which always threatens to create in the population a sense of being overwhelmed by "forces beyond human control that are transforming the world" (Waters 1995: 3).

Feelings of being overwhelmed can be mitigated by independent thinking, critical analysis and creative problem-solving—hallmarks of a traditional liberal education, which in turn can be threatening to the ideologues of globalization. As we demonstrate in this book, accounting and bureaucratic technologies can subsume and contain such threats, in particular by inculcating a particular language of accountability, reporting and measurement into the loan processing itself—with the clear intention of changing from within, through this missionary language, the borrower country's civil and education culture.

## Education and Human Capital

When education is conceptualized as the engine of economic growth, it necessarily follows that development of education and education infrastructure will be seen as an investment with expected monetary returns. But perhaps as Alison Wolf (2002) points out, the links between national wealth and education are not as straightforward as they may at first appear. Viewing education as leading to economic ends may very well undermine its cultural aspects in order to privilege the economic. Of course, there are many social and personal benefits to be obtained from education, but the obsession with the economic aspects of education tends to undermine those very benefits. We agree with Wolf (2002) that, "Our preoccupation with education as an engine of growth has not only narrowed the way we think about social policy. It has also narrowed—dismally and progressively—our vision of education itself" (254).

To reduce any social good to "human capital" can be destructive. It also raises many questions. For example, if we treat a social good—any activity that has inherent interpersonal value regardless of its utilitarian worth—as an everlasting asset, we begin the process of qualifying it according to what revenues we might expect it pay out over time, perhaps even for life (Becker

1993). From there, the market progressively demands more and more of it. To offset the resulting problem of degree inflation we have to constantly renew or update our education, to avoid devaluation of the "capital." Thus, for example, attempts to "universalize" elementary education must—taking into account subsequent insatiable demands for more human capital—promote in turn the universalization of secondary education, and on to the reaches of higher and higher degrees… until we finally arrive at the absurdity of having entire populations of scholars—unemployed scholars, or PhD labourers, or engineers preparing fancy coffees. As Alison Wolf (2002) points out, "The hype about the knowledge economy ignores that unskilled jobs are a pretty stable part of the employment scene" (185).

We should also question whether the policies, loans and projects that promote more education for broader populations are not just working as a justification to introduce further classification, ranking, sorting and differentiation of people. Several studies point out that the increased demand for academic credentials serves to ensure a discrete reproduction of privileges, thus maintaining social segregation (Bourdieu 1990; Foucault 1984; Taylor 2002; Wolf 2002: 29). Finally, we have to consider that perhaps our preoccupation with quantity is overhauling the priorities of quality education.

## Our Study of the World Bank

We provide here a micro and a macro analysis of how the World Bank acts as catalyst and agent for social and education reform in Latin America through its lending, technical assistance and report publication activities. Largely by "modernizing" the administrative and financial practices that are used within departmental systems, the Bank indirectly and directly influences day-to-day practices in these distant fields.

While this type of "reformation through accountancy" tends to take the focus away from real conversation and ideological discussion, the informants and participants of our study on education in particular were nonetheless forthcoming about the difficulty in balancing the Banker's ledger with the education needs of their students. We performed close to a hundred interviews with people in four Latin American countries (Colombia, El Salvador, Guatemala, Mexico). In these interviews we talked to people at the government level, with Bank officials and project managers, with accountants and auditors, with education administrators, school leaders and university professors, and with school teachers.

Studying the influences exerted by the World Bank through its lending agreements required consideration not only of the context in which the Bank operates and a theoretical understanding of the Bank's activities, we also had to consider the Bank's self-representation—its public face. Exactly how the Bank represents its analysis of the social problems it claims to have the solutions for is not evident in the field itself, except under cover of its financial techniques. Modern-day evangelists do not proclaim the gospel on a soap-box, they insinuate it into their reporting directives and bureaucratic mechanisms. So, for an overt disclosure of its principles and ethics we turned to its website. Here we found the Bank describing itself as a kind of super social worker with a transcontinental reach.

As our research points out, not only does the World Bank go out of its way to demonstrate that it is no longer that old stuffy conservative banker in a pin-stripe suit—indeed its new public face has had a complete makeover; it is now a leader in the fight against corruption and HIV/AIDS and is one of the world's leaders in funding biodiversity projects. Not only that, it is listening to the voices of the poor and its mission is simply to help reduce poverty world-wide (World Bank 2005g).

It is important to note that in its self-promotion through the website there is a notable absence of a concise definition of social responsibility. Thus, the rhetoric of social consciousness is blended with the mandate of banking and lending. The social face of the Bank's persona speaks in the economic language of "accountability relationships and obligations." Poverty is cast as a lack, not of money, but of a "healthy investment climate." The Bank's purpose then becomes to empower the poor to "participate in development." Our study looks behind these facile characterizations and examines a far more complex social-economic dynamic.

Our research and field studies contribute to a deeper understanding of third-world borrower-lender relationships in several ways. Not only do we discover how "new" financial and administrative practices have come to permeate the education and social government sectors in Latin America, we also examine these practices within the context of other supranational organizations such as the OECD and IMF, along with the myriad of agents enlisted as consultants and auditors, who play a crucial role in encouraging borrower countries to adopt their techniques.

The latter half of the book uses the cases of Mexico and Guatemala to consider how local factors influence if, when and how World Bank-recommended financial solutions are implemented. We then examine the micro-politics of project acceptance and implementation in a specific Bank-sponsored Rural Education Project, and in the concluding chapter we return to the more general issue of how the Bank's missionary work facilitates the spread of financial practices and the consequences associated with this diffusion.

Finally, the study makes visible the micro-politics that are involved in the diffusion of the Bank's financial practices. While supranational organizations such as the Bank have a great deal of influence, at the same time government politicians and bureaucrats maintain some degree of agency.

Thus, the analysis highlights that the globalization of financial practice is not simply a matter of imposition but rather one of negotiation, contestation and cooperation.

We stress that missionary encounters are not unique to the field of education; the Bank's way of doing missionary work, as well as the consequences associated with this work, is similar across continents and fields of intervention. Because of the magnitude of its financial resources as well as the scope of its activities, the Bank "encourages" borrower and non-borrower countries in the developing world to adopt its systems of control within areas as diverse as education, health and justice—in the attempt, naturally, to "better administer" these areas.

Not only do these techniques result in the introduction of specific financial and accounting practices, they also bring with them ways of thinking, speaking and acting that, in turn, change the way borrower countries think about the purpose and necessity of public services. When social, cultural and pedagogical decisions are made by governments on the basis of accounting mechanisms and business plans, the tension between social services and financial accountability may very well lead to conflict. And in this conflict, the deck is clearly stacked in favour of the Bank—the lender.

Hidden within the accounting and reporting mechanisms that infiltrate the language and daily activities of individuals who are intent on serving their communities, the post-colonial missionary tactics of modern-day evangelists are more covert than the tactics of their religious predecessors. This book reveals those hidden incursions into local economies. We hope it will play a role in disarming the modern-day economic missionaries of the World Bank.

## Note

1. Since its formation, the Bank has grown to include a series of three primary lending institutions: The International Bank for Reconstruction and Development was established in 1945, has had cumulative lending of $383 billion and lent $11.2 billion during fiscal 2003 for 99 new projects in 37 countries; The International Development Association was established in 1960 to provide financing (including interest free credits and grants) to the world's 81 poorest countries, has had cumulative lending of $142 billion and lent $7.3 billion during fiscal 2003 for 141 projects in 55 countries; the International Finance Corporation was established in 1956 to promote economic development through the private sector, has had cumulative lending of $23.4 billion and lent $3.9 billion during fiscal 2003 for 204 projects in 64 countries (World Bank 2004).