

Proof

PART 2

FAITH-BASED ORGANISATIONS AND SECULAR DEVELOPMENT

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4 FAITH-BASED ORGANISATIONS, DEVELOPMENT AND THE WORLD BANK

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Abstract

Faith-based organisations (FBOs) have increasingly become important actors in international development cooperation. Many international institutions recognise them as valuable partners and declare to have 'mainstreamed faith' within their own activities. But is this really the case? And how has this happened? Focusing on the activities of the World Bank in the 1995–2005 period, when, under the leadership of President James Wolfensohn and Katherine Marshall, then Head of the Bank's Development Dialogue on Values and Ethics (DDVE), the institution engaged with some selected FBOs, this chapter enquires into the reasons for the Bank's interest in faith as well as its sudden disappearance. It argues that the main rationale for engagement with faith lay in the disappointing results of previous secular strategies and the feeling that religion had a positive role to play in fighting poverty. However, diverging perceptions of poverty and development between states and religious entities, along with lingering suspicions among state officials about dealing with faith in the public realm, derailed the collaboration.

1. Introduction

Faith-based organisations (FBOs) are now widely recognised as important actors in development in much of the developing world.¹ The importance of FBOs comes in the context of three linked yet conceptually distinct developments: widespread religious resurgence, especially in the developing world; deepening globalisation; and extensive popular and donor concern with consistently disappointing development outcomes in many developing countries and

¹ There is no generally accepted definition of an FBO. FBOs are, however, generally characterised as having one or more of the following qualities: affiliation with a religious body; a mission statement with explicit reference to religious values; financial support from religious sources; and/or a governance structure where selection of board members or staff is based on religious beliefs or affiliation; and/or decision-making processes based on religious values. This definition is derived from Ferris (2005, 312).

regions (Haynes, 2007a, 2007b). Against this background, the announcement of the Millennium Development Goals (MDGs) in 2000 was a concrete attempt to demonstrate the capacity of the international community to improve development outcomes in the developing world.

There are two generic kinds of FBOs active in development: (1) FBOs that are active in only one country, and (2) FBOs that act transnationally, that is, in more than one country. All developmentally-oriented FBOs share a common desire to help produce better development outcomes, sometimes by seeking to influence policy formation and execution at the national or international level. Due to the potentially vast nature of the subject matter, it is not possible in this brief chapter to examine each and every area where FBOs have an impact on development. Similarly, this chapter is not state- or region-specific. Instead, I offer an introduction to the topic by way of a brief overview and short analysis of how and with what effects selected FBOs have interacted in the recent past with the largest and most important secular development agency, the World Bank.

I examine two questions in this chapter. First, why did the World Bank seek to engage with selected FBOs, including the World Council of Churches (WCC), in pursuit of improved development for a decade beginning in the mid-1990s? Second, why did the Bank's enthusiasm wane in the mid-2000s and then, for all practical purposes, fade away? To address these questions, I focus on the troubled relationship between the World Bank and the WCC and offer an explanation as to why this once burgeoning relationship seems to have declined in recent years. At a more general level, the Bank today appears to eschew consistent, regular or institutionalised relations with FBOs, including the WCC.

In order to contextualise the discussion, the chapter starts by briefly outlining the evolution of approaches to development in the post-war era. The second section focuses on the role of selected FBOs, including the WCC, in the formation of the MDGs. In the third section, I examine the World Bank's short alliance in the 1990s and early 2000s with various FBOs, including both the WCC and the Anglican Church. This occurred during the tenure of James Wolfensohn, president of the Bank for a decade between 1995 and 2005, which coincided with a period of strong interest in the developmental potential of FBOs. I assess whether the focus of the Bank on FBOs during this time was due primarily to the personal interest of Wolfensohn, or whether faith has had a longer term and continuing impact on programming at the Bank. In other words, was faith 'mainstreamed' in its activities, as the Bank now claims, leading to discernible and continuing 'traces' of faith in the Bank's development-focused activities?

2. Failed strategies to achieve improved development after World War II

The ideological power of neoliberalism was at its zenith in 1989–91 when the Cold War came to an end and the Eastern European communist bloc spectacularly and swiftly collapsed. The rapid disintegration of Europe's communist governments not only appeared to offer clear evidence of the

superiority of capitalism and liberal democracy over communism, but also provided pro-market forces with ideological momentum. The then-dominant neoliberal development strategy – the so-called ‘Washington consensus’ – reflected the pre-eminence of these ideas among key, Washington DC-based, opinion-leaders, including: ‘the IMF [International Monetary Fund] and the World Bank, independent think-tanks, the US government policy community, investment bankers, and so on’ (Thomas and Reader, 2001, 79). However, critics of the Washington consensus argued that the studiously pro-market view it endorsed gave insufficient emphasis to the essential developmental role of the state, the only institution with the power and authority to alter prevailing socioeconomic realities through application of appropriate policies and programmes. It also neglected developmentally important non-state actors – including both secular and faith-based organisations – that are also influential in delivering improved human development (Taylor 2005).

The focus on non-state actors in relation to development goals reflected the abject failure of many post-World War II development strategies. After 50 years of state-led development policies and programmes, and a quarter-century of neoliberal economic policies – championed both by the Bank and the IMF – the developmental picture in the 1990s was gloomy, characterised by rising global poverty and polarising inequality. The statistics of developmental failure at the end of the twentieth century were damning: over 1 billion people in the developing world lived on less than US\$1 a day. More than 2 billion people – nearly a third of the total global population – did not have access to clean drinking water. In addition, hundreds of millions of individuals lacked even basic health care and/or educational opportunities (World Bank, 2001).

Over the six decades since the end of World War II, there were three stages of thought regarding development. First, during the 1950s and 1960s, when dozens of culturally, politically and economically disparate post-colonial countries emerged, mainly in Africa, Asia and the Caribbean, the West’s chosen development strategy was primarily the application of appropriate levels of state-directed development aid. Second, during the 1970s, substantial increases in the price of oil both underlined and hastened developmental polarisation, with some richer developing countries – such as South Korea, Taiwan and Singapore – managing to better cope than their poorer counterparts in sub-Saharan Africa and elsewhere. Many developing countries also found their international debt quickly rising. At the time, the West’s development programme followed a ‘basic needs’ strategy. It was envisaged that development goals would be achieved via a strategy to ensure that all people had access to necessary ‘basics’, including: clean water, basic health care and at least primary education. This strategy generally failed, however, for two main reasons: first, ‘development’ became subsumed within the wider Cold War ideological division, with government-subsided development funds often going not to the most ‘developmentally deserving’ countries but instead to key allies; and, second, ruling elites and their supporters in many developing countries were frequently unwilling to facilitate the necessary financial transfers upon which the successful delivery of the basic needs strategy fundamentally hinged (Haynes, 2005, 2007a; Taylor, 2005; Shaw, 2005).

Finally, the third phase followed in the 1980s. Increasing developmental polarisation galvanised Western attempts to encourage poorer developing countries to reform their economic policies to improve development outcomes. Western governments, led by the United States, Britain and (West) Germany, and international development agencies, including the World Bank and the IMF, concurred that in the developing world, ‘unacceptable’ levels of state meddling, incompetence and poor policies often fatally undermined the achievement of development goals. Their proposed solution was to ‘roll back’ the state, believing that governments had often ‘tried to do too much’, expending much effort and money but achieving little. Instead, private entrepreneurs would, it was envisaged, provide new injections of dynamism, energy and funding to address development shortfalls, usefully augmenting the state’s developmental role. In pursuit of this strategy, Western financial assistance pivoted on ‘structural adjustment programmes’ (SAPs) in dozens of developing countries. According to Barber Conable, World Bank president between 1986 and 1991, the implementation of SAPs reflected the World Bank’s belief that ‘market forces and economic efficiency were the best way to achieve the kind of growth which is the best antidote to poverty’ (Conable quoted in Thomas and Reader, 2001, 79).

Conable’s statement reflected the then-current intellectual predominance of neoliberalism in development thinking. Neoliberalism was an economic and political philosophy that ideologically underpinned the pro-market and monetarist ideas of various Western governments, including those of Britain’s Margaret Thatcher (1979–90), Germany’s Helmut Kohl (1982–98) and, in the US, the administrations of Ronald Reagan (1981–89) and George H. W. Bush (1989–93). A core belief of neoliberalism was that to achieve desirable development outcomes, the role of government must be diminished, ‘freeing’ private capitalists and entrepreneurs from state control to apply their energies to economic growth strategies. Under pressure from Western governments and key international financial institutions – especially the World Bank and the IMF – the governments of many developing countries were strongly encouraged to develop and implement neoliberal policies. Outcomes, however, were on the whole disappointing in terms of reducing developmental inequalities (Stiglitz, 2006). Correspondingly, there was then a rethinking of strategy involving the United Nations and its key development agency, the World Bank, and, to an extent, the IMF. This rethinking suggested that, after decades of development failures, it was time to come up with a new approach, involving new actors, strategies and programmes.

3. FBOs and the Millennium Development Goals: a change of approach

Development disappointments encouraged the international community to announce a third millennium ‘onslaught’ on poverty and human deprivation, with efforts particularly focused on sub-Saharan Africa, the region with most pronounced and widespread exigencies. The result was the United Nations Millennium Declaration (UNMD). The purpose of the UNMD was to finally

comprehensively deal with human deprivation and poverty, in the world's most underdeveloped countries and regions.² The MDGs were announced in September 2000, with a 15-year timeline for achieving eight primary goals: eradicating extreme poverty and hunger; achieving universal primary education; promoting gender equality and empowering women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria, and other diseases; ensuring environmental sustainability; and developing a global partnership for development (United Nations, 2010).

The MDGs strategy was not unique in its designation of clear goals and a specified timeframe for achievement. What *was* new was that the MDGs were premised upon the assumption that to attain desired outcomes across the developing world it would be appropriate and welcome for both state and non-state actors – secular *and* faith-based – to work together (Haynes, 2007a ; Lunn, 2009; Haar, 2011). At this time, the world's wealthiest and most influential development agency, the World Bank, publicly accepted the need for refocusing of developmental emphasis if these development goals were to be widely achieved. The Bank noted in its *World Development Report 2000/2001* that adjustments were necessary at both global and national levels. While the Bank did not specifically mention faith-based organisations in the *2000/2001 Report*, their relevance may be inferred from its recommendations, which stated that to achieve improved developmental outcomes it was necessary to employ *all* currently under-used human resources – which would include those potentially available from FBOs – especially at the grassroots level where 'real' development gains would be recorded.

It is important to note that the recognition of the potential of FBOs by the World Bank and the Development Industry more generally, in achieving improved development was unexpected. As Lunn (2009, 937) notes, 'religion, spirituality and faith have suffered from long-term and systematic neglect in development theory, policy making and practice, although there has been a noticeable turnover in the past 10 years'. One important reason for this change in thinking is linked to the wide-ranging impact of the Cold War and subsequent developments. These include the changing international context following the end of the Cold War, deepening globalisation, the impact of 9/11, and assorted global financial crises. A result of these multiple and multifaceted global changes was to reanimate thinking about development outcomes in the developing world and, by extension, the role of FBOs in this context.

It should be noted that it was once widely assumed that nations would *invariably* secularise as they became 'modern'. This assumption of the inevitable decline of religion dovetails with the modern, Enlightenment-derived belief that science and technological development would eventually overcome the perennial social problems of poverty, environmental degradation, hunger and disease, resulting in long-term human progress. As such, it is plausible to surmise that lack of success in this regard was one of the factors behind the recent increased focus on the developmental role of religion in the developing world (Berger 1999). Instead, contrary to the claims of secularisation theory, faith has had an increasing impact upon development outcomes in many parts of the

2 The full Millennium Declaration is at <http://www.un.org/millennium/declaration/ares552e.htm>.

developing world (Haynes, 2007a; Lunn, 2009; Mesbahuddin, 2010). This is not to imply that faith has ‘only’ impacted upon development. It has also affected other – once thought to be primarily ‘secular’ – areas of human endeavour. First, religion is often used politically as a vehicle of opposition or an ideology of community self-interest. Threats emanating from either powerful, outsider groups or unwelcome symptoms of modernisation (such as the breakdown of ‘moral’ behaviour and perceived over-liberalisation in education and social habits) may serve to galvanise such communities. Second, the failure of governments to consolidate programmes of developmental improvement has also encouraged religious entities to take action, including the creation of specific faith-based agendas of solidarity and development. Examples of such initiatives include the Roman Catholic Basic Christian Communities found in Latin America and Africa, and various Islamic development entities throughout much of the Muslim world.

The end result is that growing numbers of FBOs now seek to involve themselves in areas that were long believed to be inherently secular areas of human activity, including development, politics and social issues (Alkire, 2006; Hostenstein, 2005; Marshall, 2005a, 2005b; Haynes, 2007a; Rees, 2009; ter Haar, 2011). Today, in many countries and regions of the developing world, FBOs work to help to deliver improved human development, including improved social services for people whom national or local governments cannot or will not assist sufficiently. Some service-oriented FBOs in the Middle East and sub-Saharan Africa enjoy annual budgets that may exceed those of agencies officially tasked by the state to deliver general social welfare (Ellis and ter Haar, 2004; ter Haar, 2011). It is not the case, however, that the work undertaken by FBOs necessarily unproblematically complements that performed by relevant secular state agencies. Alkire (2006) emphasises that the understandings of desirable development outcomes expressed by FBO leaders may differ significantly from those advanced by secular economic development models, including those of the World Bank. From a religious perspective, secular development programmes and policies – which prioritise increases in measurable, material development outcomes as their main objective – are ‘one-eyed giants’. This is because secular development models ‘analyse, prescribe and act *as if* man could live by bread alone, *as if* human destiny could be stripped to its material dimensions alone’ (Goulet, 1980, quoted in Alkire, 2006, emphasis in original).

Such concerns are reflected in the views of those whose ideas derive from specific religious perspectives. For example, writing from an Islamic viewpoint, Seyyed Hossein Nasr focuses on the link between modernisation and development, emphasising that to be meaningful, ‘development’ must have a strong spiritual dimension. For Nasr, ‘development’ without spirituality is a fatal distraction, distancing Muslims from their true religious/spiritual nature, and at best delivering development concerned only with material outcomes (Nasr 1967, 1975, 1996). Roman Catholic social teachings, to provide an additional example, have also articulated a faith-based view of development. This emphasises the contributions of ‘spiritual disciplines and of ethical action to a person’s “vocation to human fulfilment”, addressed alongside contributions made by markets, public policy, and poverty reduction’ (Alkire, 2006, 10). Another Roman Catholic perspective, liberation theology, regards structural

developmental and political injustices to be remediable through popular engagement by Roman Catholics with political and economic institutions to try to achieve better outcomes for the less fortunate. A Peruvian priest, Gustavo Gutiérrez, famously articulated liberation theology in his 1971 book, *A Theology of Liberation: History, Politics and Salvation*. Finally, other religious faiths, including Judaism and Buddhism, have also advanced development interpretations akin to that of Gutierrez, collectively underlining that the world faiths (Buddhism, Christianity, Hinduism, Islam and Judaism) all perceive the issues of human development rather similarly. Distinctive ‘liberation theologies’ have been articulated in both Judaism and Buddhism, among world faiths. Various popular books have explicated similar people-centred, faith-based, development perspectives (see, for example, Kliksberg, 2003, and Sivaraksa, 1993; for an overview, see Marshall, 2011).

Views of development from faith-based perspectives, on the one hand, and secular ones, on the other, have not traditionally seen eye to eye. Of course, this is not surprising when we consider that conventional (secular) approaches to development have been devised by (secular) Western policy makers for many, including strategic, reasons. For much of the history of international development, there was no recognition that when secular policy-makers try to make policy for religious peoples, they are likely to fail. Recently, as Mesbahuddin (2010) notes, attempts have been made ‘to restore some of that imbalance by incorporating cultural issues and religious values into the international development policy network, but hostilities remain’, leading to several policy problems. First, Western (secular) development policies and practices continue to be articulated within a predominantly neoliberal and secular framework which necessarily curtails the input from other ideological viewpoints, including faith-based perspectives. Second, within developing countries there may be hostility from government towards including religious actors in development policy discussions. Finally, there are often divisions between and within faith communities within states, making it difficult to develop faith-focused development models which are inclusive and do not serve to reinforce pre-existing social and religious divisions.

4. The World Bank, faith and development

During the second half of the 1990s, the then-president of the World Bank, James Wolfensohn, emerged as a champion of increasing the role of FBOs in development policies and programmes. Wolfensohn saw failure to involve FBOs in development as irrational, given their great importance to many people in the developing world. Additionally, this movement towards the inclusion of FBOs came at a time when, in the furore following the implementation of SAPs, the Bank was actively seeking to engage with civil society and allay criticism that the Bank was not willing to listen to voices from below (interview with senior World Bank official, 23 January 2012). The increased attentiveness to FBOs did not stem from any particular religiosity on the part of the Australian Wolfensohn – who is a non-practising Jew – but rather a from largely instrumental recognition of a previously missed opportunity to



harness potentially productive resources for improved development outcomes. For Wolfensohn, faith could play an important role in development in two main ways:

- *Bottom up pressure on policy makers and consequential influence on policy formation.* This could occur by engendering and/or influencing policy-makers' values and outlooks, in turn affecting the formulation of specific development policies; and
- *Bringing together or dividing communities along faith lines.* This could either ameliorate or worsen pre-existing social and/or political conflicts centring on access to improved development opportunities.

The second bullet point suggests that Wolfensohn did not believe that building three-way relationships between governments, secular development agencies and FBOs would be unproblematic. Yet he saw the involvement of FBOs in development as rational for the following reasons:

- FBOs of various kinds – including churches, mosques, religious charities and religious movements – are important aspects of civil society in most developing countries. Their involvement in development policies and programmes could potentially help achieve improved development.
- FBOs already play a key role in providing education and welfare in many developing countries, so it seems logical to involve them in development issues and outcomes.
- FBOs may share many values. Coming together in pursuit of development could help not only to achieve improved development outcomes but also assist religious/cultural understanding in developing countries.

For Wolfensohn,

[t]his is a powerful idea – to tap the strengths of religions as development actors. Consider economics, finance and administration as disciplines that are deeply ethical at the core...they are about poverty reduction and employment creation. A vision without a task is boring. A task without a vision is awfully frustrating. A vision with a task can change the world. (World Bank, 2012)

During his 1995–2005 presidency of the Bank, Wolfensohn was the driving force behind the establishment of various initiatives with FBOs, which began with the building of a relationship with the Geneva-based World Council of Churches (WCC).³ Wolfensohn also created two World Bank faith-focused entities in 1998: the World Faiths Development Dialogue (WFDD)⁴ and the

³ The WCC was founded in Amsterdam in 1948. It is an international, interdenominational Christian organisation which brings together around 350 Protestant, Anglican and Eastern Orthodox Churches. WCC headquarters are in Geneva.

⁴ According to the WFDD website, 'The World Faiths Development Dialogue was set up in 1998 as an initiative of James D. Wolfensohn, President of the World Bank and Lord Carey, then Archbishop of Canterbury. Its aim is to facilitate a dialogue on poverty and development among people from different religions and between them and the international development institutions. The focus is on the relationship between faith and development and how this is expressed, both in considering decisions about development policy and in action with impoverished communities all over the world' (WFDD, 2012).

DDVE.⁵ Following initial informal discussions, the Bank's formal dialogue with the WCC began in early 2002, with a meeting in Accra, Ghana, which also involved the IMF, and continued until August 2008. Since then, however, no further three-way meetings have taken place between the organisations and, at the current time, none are planned (WCC, 2004). The WCC was very sceptical about the desirability of establishing dialogue with the World Bank, with 'far-ranging reservations about the motivations, governance structures, policies, and programs of the Bretton Woods institutions', including the World Bank (Marshall and Van Saanen, 2007, 196; Mshana, 2001).

A four-day meeting held in Canterbury, England, in July 2002 highlighted the problems inherent to the attempt to develop fruitful relationships between governments, secular development agencies and FBOs in pursuit of improved development outcomes. Jointly led for the Bank by Wolfensohn and for the global Anglican Church by its then-head, Archbishop George Carey, the meeting brought together individuals from 15 developing countries, including faith participants. The director of the WFDD, Michael Taylor, led the consultation. World Bank representatives were among the observers at the meeting; the IMF was also invited to participate in the event, but due to scheduling conflicts no representative was able to be present. The meeting's main purpose was to gain an initial understanding of how FBOs could make their views on development consistently known to the Bank and the IMF, and how this information could be factored into policies and programmes, particularly in relation to poverty reduction strategies in the developing world (WFDD, 2003). In addition, the meeting also focused on a range of human development issues, including the potential for FBOs to help more generally to improve development outcomes.

The gathering brought together an impressive group of religious leaders, key development organisations and individuals from the secular private sector, including the worlds of entertainment and philanthropy. Discussions and presentations at the meeting focused on key development problems identified in the Millennium Declaration, including education, poverty, HIV/AIDS, gender, conflict and social justice. Participants discussed various dimensions and developmental ramifications of globalisation, including its differential impact on rich and poor countries. Participants noted that poverty, HIV/AIDS, conflict, gender concerns, international trade and global political issues link all the world's countries and peoples. This not only highlighted the existence of a global community in an abstract sense but also more practically the importance of shared responsibility and partnership in fighting the collective problems facing humanity. The overall conclusion of the meeting was that more needed to be done to move from expressions of solidarity to the realisation of practical programmes and policies through collaboration between FBOs, secular development agencies, and governments (Marshall and Keough, 2004).

Several faith participants emphasised that not only is poverty a complex phenomenon, but also that many people regard the achievement of freedom and

5 The DDVE was a small unit at the World Bank whose purpose was to contribute to analytical work, capacity development and dialogue on issues related to values and ethics. Founded in 2000, for the next decade the DDVE served as the World Bank's focal point on the intersection of religion and development. In addition, the unit led a number of projects related to prominent development issues, such as the current economic crisis in Africa, with a focus on the difficult distributional trade-offs faced by various development actors in dealing with these issues. The DDVE was disbanded in July 2011 without replacement (DDVE, 2011).

a satisfying life as a higher priority than simple gains in income or improvements in social indicators (Marshall and Keough, 2004). For example, according to a Sri Lankan at the meeting, aspirations of Buddhist Sri Lankans differ from those of people in secular Western countries who are, according to him, singularly focused on economic growth. The Sri Lankan commented that in his country ‘The middle path, path to the human liberation in Buddhism, guides people for a simple, happy and content life’ (Tyndale, 2004; also see Marshall, 2011). In addition, two African participants highlighted that in popular perceptions of relative importance, opportunities in life can rival wealth acquisition. A Tanzanian underlined the significance of rights in alleviating poverty, especially social well-being, as well as those related to security, justice, freedom, peace, and law and order. In relation to Zambia, a speaker claimed that opposition parties were weak and ‘only the [Catholic] Church speaks out’. More generally, Catholic social teaching was said to be a key source of inspiration for many Zambians,⁶ with its focus on human dignity particularly important in contrast to the view that ‘economic growth equals development’ *tout court*. The Zambian participant also stressed that ‘if growth does not benefit the human being, then it is not development at all’ (Tyndale, 2004).

Between 2000 and 2006, Dr. Katherine Marshall was head of the DDVE, serving as Wolfensohn’s right-hand woman in relation to faith issues.⁷ According to Marshall (2005b), the Bank did not believe ‘that religion and socio-economic development belong to different spheres and are best cast in separate roles – even separate dramas’. Her observation was based on the Bank’s recognition that many religious organisations and secular development agencies have similar key concerns, including the improvement of (1) the lot of materially poor people; (2) the societal position of those suffering from social exclusion and; (3) unfulfilled human potential in the context of glaring developmental polarisation within and between countries. In other words, while faith was once understood as ‘otherworldly’ and ‘world-denying’, there was growing agreement between the World Bank and other secular financial organisations, including the IMF, that increasing cooperation with faith-based organisations could usefully contribute to the achievement of developmental goals, not least because issues of social and economic justice are central to the teachings of the world religions (interview with former senior IMF employee, 30 January 2012). This burgeoning consensus was reflected during Wolfensohn’s presidency in a major Bank initiative, ‘Shaping the Agenda – Faith & Development’, which was characterised by three main areas of ‘faith’ dialogue: (1) Building bridges – stronger, bolder partnerships (2) Exploring a more ‘comprehensive’, ‘holistic’ and ‘integrated’ vision of development, and (3) Transforming dialogue into

6 A 1996 amendment to the constitution declared Zambia a Christian nation while also providing for freedom of religion. About 85 per cent of Zambians are Christian; 5 per cent Muslim; 5 per cent subscribe to other faiths, including Hinduism, Baha’ism, and traditional indigenous religions; and 5 per cent profess no religious faith.

7 Currently a visiting professor at Georgetown University, Washington, DC, Katherine Marshall served as senior advisor for the World Bank on issues of faith and development. Working for the Bank between 1971 and 2006, Marshall was involved over the years in many Bank task forces and issues, among them exercises addressing leadership issues, conflict resolution, the role of women, and issues for values and ethics. Earlier in 1997–98, she had led the Bank’s work on social policy and governance during the East Asia financial crisis years, while also working extensively on Eastern Africa and Latina America. From 2000 to 2006 her mandate covered ethics, values, and faith in development work, as counsellor to the World Bank’s then president, James Wolfensohn.



practice and action (World Bank, 2012; interviews with former and current senior World Bank employees, 25, 26 and 27 January 2012).

In addition to these World Bank initiatives, several other United Nations agencies were also developing dialogue with FBOs at this time. The International Labour Organisation (ILO) and the IMF each began a dialogue with the WCC. An affiliate of the World Bank, the Inter-American Development Bank (IDB), started an initiative entitled 'Social Capital, Ethics, and Development'. In this context, the IDB 'approached religious leaders to try to win the backing of their moral authority...for its campaign in Latin America against corruption' (Tyndale, 2004, 2). In addition, the United Nations Population Fund (UNFPA) sought to build links with various religious leaders, including Muslim imams, in sub-Saharan Africa and Bangladesh (UNFPA, 2004). The UNFPA also collaborated more widely with religious leaders in sub-Saharan Africa via a dialogue characterised by sensitivity and respect, facilitating the implementation of educational programmes and programmes for women's empowerment. Overall, as Tyndale notes, such collaborations became possible when both 'sides' – that is, secular development agencies and FBOs – accepted that alone, neither had the entire solution to development quandaries (2004, 6). The broader point is thus that during the 1990s and early 2000s, several UN agencies began to take faith engagement seriously, and sought to build relationships with faith leaders in developing countries.

Despite this development within the UN, the building of functional relationships with faith-related and mainstream policy entities within the Bank did not develop according to Wolfensohn's pro-faith focus. This was partly due to the strong secularist bias within the top echelons of the Bank, which meant that few – if any – senior Bank officials openly support the pro-faith initiatives, and partly because it was difficult to be clear as to how faith would factor into development policies and programmes in a concrete and practical sense. Many Bank operatives believed that faith issues are *inherently* divisive, frequently leading to complications and strife within developing countries. Conventional wisdom in the Bank was, and is, that serving humanity and improving development outcomes is most likely to be achieved through secular development vehicles (interviews with former and current senior World Bank employees, 25, 26 and 27 January 2012). This scepticism significantly undermined the chances of developing and institutionalising Bank-FBO dialogue and initiatives. While existing research is not yet definitive on the issue, preliminary and anecdotal findings indicate that similar processes occurred at the IMF, and perhaps other UN agency initiatives, which tended to slow down, diminish, or even halt, development of functional relations with FBOs (Marshall, 2005a, 2009; Haynes, 2007a; ter Haar, 2011; interview with former senior advisor to ex-IMF chief, Michel Camdessus, 24 January 2012).

FBOs faced particular challenges in integrating their perspectives not only into the policies of the Bank and IMF, but also into pro-development activities at the level of civil society more generally. This point can be illustrated through the identification of various problems that surfaced in the early 2000s when trying to institutionalise relations between, on the one hand, governments, the World Bank and the IMF and, on the other, assorted faith leaders. A focal point in this regard was a joint World Bank/IMF initiative, the Poverty Reduction

Strategy Papers (PRSP), introduced formally in 1999 in the **buildup** to the Millennium Declaration of 2000 to try to cope with the poverty ramifications of bank-endorsed reform programmes. The PRSP was an attempt, developed by the Bank, to guide growth and poverty reduction within explicit strategic frameworks tailored for each client country. The overall purpose of a PRSP was to outline a comprehensive strategy to encourage growth and reduce poverty in a given developing country, in order to aggregate different actors' priorities and analyses under the general rubric of 'development' with the intention of increasing chances of complementarity and coherence. In pursuit of this goal, wide-ranging consultations with prominent figures and organisations were held in each affected country. Overall, PRSP consultations sought to (1) adopt 'economically rational' growth and development strategies while (2) aiming to ensure that the resulting policies and programmes were compatible with what the population regarded as developmentally appropriate and sustainable. Once consultation was concluded, a PRSP would be finalised. The World Bank, informed by input from the IMF, would assess the strengths of the PRSP as the basis for a country to receive associated loans and credits (Levinsohn, 2003).



Civil society's participation was seen as both essential and central to PRSP design, and some FBOs were recognised as potentially important factors in PRSP formulation and execution. That said, there was no coordinated strategy to engage FBOs in PRSP processes, nor necessarily wide-ranging discussions to ascertain their views and evaluate relevant experiences. This was due to the fact that while PRSP-related processes were conducted in consultation with the Bank, they were primarily designed and led by governments, many of which were openly reluctant actively or formally to seek FBO views. Thus, despite the fact that in each country adopting a PRSP selected FBOs were officially designated to be included in the consultation and participation process, their views were often sidelined (WFDD, 2003). This reluctance to engage with FBOs was also notable in a 2000 attempt, set in motion by James Wolfensohn, to institutionalise the involvement of FBOs in World Bank programmes and policies. Neither Wolfensohn nor Marshall expected the idea to be especially controversial, yet there was little overt support for the policy from the Bank's Executive Committee (EC). While there is no truth to the claim that the idea was vetoed 24–0 by the EC (Rees, 2011), the lack of support for the initiative encouraged Wolfensohn to drop the idea (Marshall, 2005a; interview with former senior World Bank employee, 27 January 2012).

It is possible to see the failure to adopt Wolfensohn's proposal as the beginning of the end for the Bank's formal development involvement with selected FBOs. Over the next decade, from the early 2000s to the present, the Bank showed diminishing enthusiasm for developing relationships with selected FBOs, including the WCC and the Anglican Church. This waning attention became clear as soon as Wolfensohn stepped down from the presidency in 2005. The next president, Paul Wolfowitz (2005–07), showed no interest whatsoever, nor did his successor, Robert Zoellick (2007–12). In addition, Wolfensohn's vehicles to institutionalise and focus the Bank's FBO-related efforts – the WFDD and the DDVE – began to lose importance once he stepped down, with the WFDD eventually hived off from the Bank in 2006. Led by the recently-retired Katherine Marshall, it has resurfaced as a non-governmental

organisation, based at Georgetown University, Washington, DC.⁸ The DDVE, under the direction of Quentin Wodon, was disbanded in 2011, leaving the Bank with no institutional interface with faith or FBOs. This does not imply, however, that if a government or World Bank country representative were to take the initiative, for operational reasons, to engage with a FBO, it would be forbidden (interview with senior World Bank employee, 2 February 2012). In addition, where FBOs are important long-term elements in civil society, such as in Zambia and Indonesia, for instance, as both highly religious countries, the continued involvement of FBOs would be seen as both appropriate and desirable (2 February 2012). The salient point of the foregoing discussion is that from the early 2000s, the perceived desirability of engaging formally and institutionally with FBOs as part of the Bank's development strategy diminished considerably, to the eventual point of virtual non-existence. There were three main reasons for this:



- falling support within the Bank for engaging with FBOs on a regularised basis;
- resistance by many developed country governments to regularising or institutionalising involvement of FBOs in development, a concern shared by governments of many developing countries; and
- difficulties of reconciling different 'secular' and 'faith-based' visions of development in both theory and practice.

5. Conclusion

This chapter has explained that, from the mid-1990s until the mid-2000s, various secular development agencies, most notably the World Bank, but also the IMF, ILO, IDB and UNFPA, sought to engage with selected FBOs in the pursuit of improved development outcomes. This followed a collective realisation among UN agencies that secular and religious entities often share similar development concerns – particularly a commitment to poverty alleviation as a crucial first stage in reaching improved overall development outcomes, such as heightened respect for human rights. This common ground linked them to the growing consensus among UN agencies, many governments, and numerous civil society organisations in both developing and developed countries that led to the UN-sponsored Millennium Declaration and subsequent Millennium Development Goals.

The main question I examined in this chapter was: Why did the World Bank seek to engage with selected FBOs in pursuit of improved development during the late 1990s, and why did this enthusiasm subsequently wane and then, for all intents and purposes, fade away? As I argued, an important, albeit general, reason for the Bank's increased interest in the role of faith in development was that, after half a century, secular development policies and programmes had led to disappointing outcomes in many parts of the developing world. As a result, many senior figures at the Bank, especially the then-president, James Wolfensohn,

⁸ See <http://berkeleycenter.georgetown.edu/wfdd>.

believed that something new and different should be tried to improve outcomes. Given that, at present, confidence in developing state governments seems to be declining while trust in religious leaders and organisations appears to be growing, it is likely that many people in the developing world now believe it to be entirely appropriate that FBOs should have a consistent and significant voice in development strategy. On the other hand, it is also very likely that most donor governments regard faith's involvement in the public realm, including politics and development, with apprehension and/or suspicion. This perception is often linked to what they see as a more problematic general involvement of faith in the public realm.

Additionally, there are marked differences in the perceptions of poverty and development of FBOs, on the one hand, and governments and secular international development agencies, such as the World Bank, on the other. That is, while governments and secular international development agencies still overwhelmingly prioritise economic growth in development, FBOs and their leaders often see things very differently. FBOs tend to emphasise a range of ways of understanding the concepts of poverty-reduction and development, including those informed by spiritual concerns, over and above the narrow achievement of higher incomes. The key practical question, then, is *how*, and *in what ways*, can the World Bank, IMF, and other secular development agencies, as well as governments, constructively integrate faith perspectives into poverty reduction strategies and pro-development policies? Or, to put it another way, *how*, and *in what ways*, can faith constructively influence the perspectives of governments and secular development agencies on poverty reduction strategies and, by extension, development? It is apparent, however, that this is going to be a difficult issue to resolve – not least because religions often do not view poverty reduction as *the* central question in the creation of more fulfilling, sustainable lifestyles. Instead, they afford the greatest importance to the achievement of wider spiritual and religious goals.

Was the focus of the Bank on FBOs for the decade beginning in the mid-1990s due primarily to the personal interest of the then-president, James Wolfensohn, or has faith had a longer term and continuing impact on programming? In other words, are faith issues now 'mainstreamed' into its activities, as the Bank claims, leading to discernible and continuing 'traces' of faith in the Bank's development strategies? The answer to this question is not clear. Certainly, during my research for this chapter, I did not find definitive evidence that the Bank now habitually incorporates faith-based concerns in relation to development outcomes within its general approach. On the other hand, it is equally unclear as to what evidence would be necessary to authoritatively demonstrate that faith is 'mainstreamed' in the Bank's development activities. Further research is necessary to shed light on this important question.

Finally, it may be that both governments and, to an extent, secular development agencies, despite paying lip-service to the involvement of faith in development, either lack the ability or are simply uninterested in integrating alternative – including faith-based – perspectives into wider development programmes and policies, such as poverty reduction strategies. Over the years, this issue has often strained relationships and undermined confidence between international development agencies, including the World Bank, and faith actors, with secular

development agencies' own biases adding a layer of complexity. This continues not only to curtail vigorous and constructive debate about poverty reduction, but also to stymie the development of comprehensive development programmes that can consistently draw on both secular and religious insights.

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Interviews

Interviews on the topics discussed in this chapter were undertaken with current and former World Bank and IMF employees. All of those interviewed have had direct experience with faith issues and development during their time as employees of the World Bank or the IMF. Most were happy to have the interviews recorded. I provide a list of interviewees below. However, many interviewees were uncomfortable with being referred to by name in the chapter, or linked with specific ideas or comments. Consequently, I refer to interviewees in the text generically and anonymously. Finally, I contacted the WCC to ask for an interview regarding the issues raised in this chapter, but the WCC chose not to respond to my request.

List of interviewees

- Lynn Aylward, former International Economist at the IMF, 30 January 2012, Washington, DC.
- Roberto Brauning, formerly IMF External Relations Department and adviser to Michel Camdessus, Managing Director of the IMF (1987–2000), 24 January 2102, Washington, DC.
- Paul Cadario, Senior Manager at the World Bank, 25 January 2012, Washington, DC.
- Robert Calderisi, World Bank's Country Division Chief for Indonesia and the South Pacific (1987–89), head of the Bank's Regional Mission in Western Africa in the Ivory Coast (1991–94), the Bank's international spokesman on Africa (1997–2000) and Country Director for Central Africa (2000–02), 5 May 2012, Oxford, UK.
- John Garrison, Senior Civil Society Specialist at the World Bank, 26 January 2012, Washington, DC.
- Stewart James, Alternate UK Executive Director at the World Bank, 2 February 2012, Washington, DC.
- Katherine Marshall, Director, Development Dialogue on Ethics and Values and Counsellor to the President (July 2000–06), 27 January 2012, Washington, DC.
- Vasuki Shashtry, Chief of Public Affairs at the IMF, 31 January 2012, Washington, DC.
- Andrew Steer, World Bank Special Envoy for Climate Change, 23 January and 2 February 2012, Washington, DC.
- Quentin Wodon, head of the Development Dialogue on Values and Ethics at the World Bank (November 2008–July 2011), 25 January 2012, Washington, DC.