



Structural Adjustment Participatory Review International Network

RESULTS OF WORLDWIDE JOINT ASSESSMENT OF WORLD BANK STRUCTURAL ADJUSTMENT PROGRAMS SHOW ECONOMIC AND SOCIAL DECLINE ON FOUR CONTINENTS

Citizens' Challenge to Structural Adjustment

Steering Committee
Yao Graham
Third World Network
Ghana/Africa

Gemma Adaba
Peter Bakvis
ICFTU/ITS
International

Walden Bello
Joy Chavez-Malalan
FOCUS on the Global South
Asia

Jorge Carpio
IDEMI
Argentina

Ivan Cisneros
Alex Zapatta
IEDECA
Ecuador

Kelly Currah
World Vision
International

Doug Hellinger
The Development GAP
United States
(Coordinator)

John Jones
Norwegian Forum for
Environment & Development

Mahbubul Karim
Md. Shahabuddin
PROSHIKA
Bangladesh

Karoly Lorant
ECOSTAT
Hungary

Muriel Mafico/
Godfrey Kanyenze
Poverty Reduction Forum/
ZCTU
Zimbabwe

Kevina Akoyi Makokha
NGO Forum
Uganda

John Mihevc
Inter-Church Coalition
on Africa & Halifax Initiative
Canada

Lidy Nacpil
Maitet Diokno-Pascal
Freedom from Debt Coalition
The Philippines

Nina Torres
Equipo PUEBLO
Mexico

Roberto Rubio
FUNDE
El Salvador

Aminata Sidibe
CCA-ONG
Mali

Marijke Torfs
Friends of the Earth
U.S./International

Barbara Unmuessig
EURODAD & WEED
Europe

Hellen Wangusa
African Women's Economic
Policy Network (AWEPON)
Africa

TBA
Oxfam International

Credibility of Bank President Fades As He Fails to Honor Commitment to Civil Society

SAPRI to Continue Mobilization, Promote Alternative Policies

World Bank President Jim Wolfensohn has called on those protesting against Bank policies to engage the Bank constructively with their critiques. He has also persistently claimed the Bank's commitment to the participation of civil society. Yet, in the face of the Bank's recent performance in initiatives taken with citizens' organizations, Wolfensohn's claims ring hollow.

One such engagement is the Structural Adjustment Policy Review Initiative (SAPRI), in which some of the Bank's strongest critics participated with the Bank in assessing the impact of structural adjustment policies at the country level. SAPRI has enabled the independent and broad-based mobilization of civil society and the building of its capacity for policy analysis, development and advocacy, as well as helped legitimize its role in this area. The Bank, however, has failed to demonstrate a willingness to learn from the Initiative's consultative and on-the-ground reviews, much less integrate that learning in its policy development, programming and operations.

The Steering Committee of SAPRI, the global network of civil-society organizations that became the Bank's counterpart in SAPRI, understood from the outset that Wolfensohn would be seriously constrained in his actions by the U.S. Treasury and its unrelenting prescription of its adjustment agenda. It therefore organized itself to "level the playing field" in its engagement with the Bank and to hold the latter accountable throughout the SAPRI process to the commitments made by its president, primarily his agreement to open Bank policy and policymaking to changes should the failings of adjustment be demonstrated.

SAPRI was launched in 1997 in eight of the originally agreed ten countries. The national exercises -- four in Africa, two in Latin America and one each in Asia and Central Europe -- were conceived as tripartite affairs involving government, the local Bank mission and highly inclusive civil-society teams and were centered on national public fora and field investigations undertaken with a participatory and political-economy approach. Extensive negotiations ensured the independence of the local teams, particularly in terms of their organization and their selection of the adjustment-related issues to be investigated and assessed. While fundraising from European governments was done jointly with the Bank, SAPRI has controlled its own portion of those funds. It has accepted no money from the Bank or from participating governments, and it has raised additional funds from the European Union, the UNDP and non-governmental sources so as to maintain its financial independence and take initiatives in other countries, such as Mexico and the Philippines, without the Bank's involvement.

Secretariat c/o The Development GAP
927 Fifteenth Street, NW, Washington, DC 20005 USA
Tel: 202/898-1566 - Fax: 202/898-1612
E-Mail: secretariat@saprin.org - Web: www.saprin.org

Those initiatives were necessary because of the Bank's refusal to pursue seriously the participation of emerging-market country governments in SAPRI. This refusal, along with the Bank's unwillingness to abide by negotiated conflict-resolution procedures in cases of withdrawal by one or more parties from a country exercise, formed part of a consistent pattern of non-compliance on the part of Bank top management with the commitments and agreements that Wolfensohn's team (organized under the Economics Vice Presidency) negotiated with SAPRI.

In the end, the Bank has tried to distance itself from the SAPRI findings, as well, as they have illuminated the extensive damage that has been done by structural adjustment. Both the national public fora and the joint research that followed pointed consistently to major problems associated with *privatization programs* (increased unemployment and job insecurity along with a decline in workers' rights and in the availability of quality and affordable services), *trade liberalization* (significant negative impact on agricultural production and the rural sector, small-scale enterprises, women and unskilled workers, thus exacerbating economic inequalities), *labor-market reforms* (a fall in real wages, declining purchasing power, greater job instability and poorer working conditions), *financial-sector policies* (in particular, high interest rates, further undermining small-enterprise viability), and *fiscal-policy reform* (public-expenditure cuts and user-fee imposition, reducing access by the poor and disadvantaged to quality health care, education and housing).

While members of its field staff acknowledged the validity of SAPRI's analysis, the Bank has refused to use the extensive insights provided by the initiative to inform economic policymaking. In fact, there was, contrary to the accord that launched SAPRI, virtually no representation of Bank senior management with policymaking responsibility at the July forum at the Bank at which the results of this joint exercise were presented.

Like other multi-year initiatives in which the Wolfensohn Bank has participated with civil society, SAPRI has seriously undermined whatever trust remained in the Bank among citizens' groups. The Bank's leadership is making it abundantly clear that constructive engagement will yield no significant results and that only direct action against the Bank, such as street protests, can produce meaningful changes in Bank policies and operations.

To this end, SAPRI will continue its collaborative efforts with other social movements and like-minded institutions while holding the Bank publicly accountable for the commitments that it breached under SAPRI. It will broadly publicize SAPRI's conclusions, as well as the Bank's association with them, while developing and promoting alternatives to adjustment policies in SAPRI and non-SAPRI countries alike. And it will continue to invest in local mobilization and in economic-literacy programs so as to maximize the involvement of local populations in shaping national and global economic agenda.

September 2001