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Abstract:

The World Bank enjoyed increased influence on the development strategies of the international community in the 1980 s. The Nordic countries, five small states with limited voting power, were critical of important elements of Bank thinking and supported policy areas outside the spotlight of the Bank. By analysing Nordic strategies to influence the World Bank in the policy areas of structural adjustment and poverty reduction, environmental protection and “women in the development” agenda, the author argues that the Nordic countries realised its potential to a greater extent in the 1980 s than both previous and subsequent periods.

Small States in International Organizations – Nordic Strategies to influence the World Bank¹

The literature on the foreign policy of small states has largely concentrated on security policy, and especially bilateral relations between small states and their larger partners.² Only a few scholarly works have explored the diplomatic activities of small

¹ I wish to thank my informants who were willing to share their experiences with me, and Professor Helge Ø. Pharo, Dr. Hilde Selbervik and participants on the ‘Foreign Aid Seminar’ in Oslo in June 2005 for valuable input. I am also grateful for funding provided by the ‘History of Norwegian Development Aid’ project, the Riochy Sasakawa Foundation and the University of Oslo, and to the Centre for Development and the Environment at the University of Oslo, the Nobel Institute of Norway and the University of Hawaii at Manoa for being inspiring work environments.

² There was a vigorous theoretical debate in the late 1960 s and 1970 s about whether the foreign policy of ‘small states’ was generically different from that of large states; see for example R. Keohane ‘Lilliputians’ Dilemmas: Small States in International Politics’, *International Organization*, XXIII (1969), 291-310. The interest in the role of smaller powers in international politics seems to be

states in international organizations.³ By studying the role of the Nordic Countries in the World Bank⁴ in the 1980 s and early 1990 s, this case study shows how small countries through close cooperation and a limited and coherent set of policy priorities can enhance their importance in international organizations.

The 1980 s was a decade with a vivid debate about the effectiveness of development aid. During this decade the World Bank enjoyed a dramatically increased influence on development strategies and achieved a leading role among the bilateral and multilateral donors.⁵ One crucial consequence of this change was how persistent problems in developing countries came to be perceived. Internal factors in developing countries, such as a failed economic policy, took prominence over external factors as explanations for their problems. Demands for economic reform in developing countries in exchange for development aid, also called macroeconomic conditionality or structural adjustment policy, had a definite breakthrough as a development tool.⁶

As the focus of the World Bank shifted towards the need for structural adjustment in developing countries, other policy issues lost out. Generally speaking, these changes were not consistent with the priorities of the Nordic countries. By the end of the 1980 s and early 1990 s, the World Bank claimed to have changed its

increasing, after a period of lesser interest; *Small States in World Politics. Explaining Foreign Policy Behaviour*, ed. J. A. K. Hey (Lynne Rienner Publishers, 2003); *Small States in International Relations*, eds. C. Ingebritsen et al. (University of Washington Press, forthcoming).

³ M. Hong 'Small States in the United Nations', *International Social Sciences Journal XXXXVII* (1995), pp. 277-287; Waltz, Susan "Universalizing Human Rights: The Role of Small States in the Construction of the Universal Declaration of Human Rights" *Human Rights Quarterly XXIII* (2001) pp. 44-72.

⁴ It is common practice to use the word 'World Bank' for both the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). This will also be done here, unless otherwise stated.

⁵ The standard books on the history of the World Bank are D. Kapur, J. P. Lewis and R. Webb *The World Bank – Its First Half Century; Vol 1 History* (Washington D. C., 1997) and D. Kapur, J. P. Lewis and R. Webb *The World Bank – Its First Half Century; Vol 2 Perspectives* (Brookings Institution, 1997)

⁶ Tony Killick, a leading scholar studying the role of conditionality in aid policy, has characterised this period as one of a veritable 'explosion' of conditionality: T. Killick *Aid and the Political Economy of Policy Change* (London, 1998), p. 3.

structural adjustment policy, and poverty reduction had resurfaced on the Banks policy agenda together with other newer concerns.⁷ Nordic politicians and civil servants frequently claimed partial credit for these changes. If true, this would be a remarkable achievement for these five small countries, which must have exercised a larger influence than one would expect from a constituency representing three to five percent of the voting power in the World Bank.⁸

To pinpoint the role and influence of any particular participant in an international organization requires careful analyses. One way to trace the influence of a donor country in the World Bank is to analyse whether its political priorities are reflected in the organizations overall allocation of funds to sectors or countries, or sectors within a specific country.⁹ However, the allocation of funds is influenced by many factors, including long time from formulation to operationalization of new policy priorities or guidelines. Another method could be to look at voting patterns.¹⁰ This approach, a potentially useful way to study behaviour in bodies like the General Assembly of the United Nations, is not viable for assessing a consensus oriented policy making process like that of the World Bank.

Rather than using a methodology where policy priorities and influence is measured directly, a historical study offers the opportunity to establish a narrative where the political agenda and strategies of a participant are identified, and where its initiatives in ongoing processes are more meticulously spelled out.¹¹ Here it is easier to construct a picture where the Nordic visibility may be identified, and to establish

⁷ For a study of emerging policy agendas in the World Bank in the 1980 s and 1990 s see M. M. Adams *The World Bank New Agendas in a Changing World* (London and New York, 1999).

⁸ The voting power of the member states is calculated according to its financial contributions. The voting power of the Nordic constituency was 3.52% on issues concerning IBRD and 5.03% on issues concerning IDA (World Bank Annual Report 1984, p. 227). It changed little in this decade.

⁹ An analysis of the lending profile of Tanzania in the World Bank found no correspondence with Nordic priorities; H. Selbervik 'Power of the Purse? Norway as a donor in the conditionality epoch 1980-2000' (Dr. Art dissertation, University of Bergen, 2003), pp. 87-88, 95.

¹⁰ The Nordic countries have been criticised for not voting systematically against certain loans in the World Bank; V. Bye 'En strukturtilpasset norsk Nord-Sør politikk' in *Norsk nord-sør politikk: Lever den opp til sitt rykte?*, ed. O. Stokke (NUPI Research Report No 163), p 54.

¹¹ For an impressive analysis of US policy and influence in the World Bank showing that assessing the influence of the most powerful World Bank member is not a straight forward exercise, see C. Gwin 'US Relations with the World Bank, 1945-1992' in *Perspectives*, ed. Kapur et al., pp. 195-274.

whether their initiatives were significant and if, most importantly, they were part of a dynamic that made changes happen. Historical research on development aid policy is an evolving scholarly field.¹² Norwegian or Nordic policies in the World Bank have been analysed in three recent studies.¹³ The main purpose of this article is to analyse how the Nordic countries worked to influence the World Bank. This is done in three policy areas of special importance to the Nordic constituency - poverty reduction, environmental protection and the role of women in the development process.¹⁴

In each of these policy areas, the article addresses three distinct strategies the Nordics used to influence the World Bank.¹⁵ First, the Nordics pursued an institutional strategy aimed at initiating and supporting proposals to build general competence and capacity among World Bank staff in the policy areas of particular interest to the Nordic countries. Second, individual loan proposals were scrutinized to determine whether the proposals were in accordance with Nordic priorities. If not, the executive director (ED) was supposed to intervene by raising specific questions related to the proposal when handled by the Board. Third, the previous two strategies were supported by the provision of funding outside the regular budget processes. Norway was the only country which did this strategically by using its funding as seed money to support Nordic policy initiatives in the World Bank.

¹² See H. Pharo and H.-I. Schmidt (Guest Editors) 'Theme Issue: Europe and the First Development Decade. The Foreign Economic Assistance Policy of European Donor Countries, 1958-1972', *Contemporary European History*, Vol. XII (2003).

¹³ For an account of Norwegian policies in the World Bank in the period 1960 to 1980, see B. T. R. 'Bank og Bistand – prinsipper og realpolitikk' (Cand. philol thesis, University of Oslo, 1998). Norwegian and Nordic policies in the World Bank in 1980-1992 is analysed in H. H. Vik, 'Norge og Norden i Verdensbanken 1980-1992', *Dissertations & Thesis III* (Centre for Development and Environment, 2001). The correspondence between Norwegian bilateral and multilateral aid policy, with a special focus on Tanzania, is analysed in H. Selbervik *Power of the Purse* 2003.

¹⁴ The Nordic Countries were also active in trying to establish debt reduction facilities for the poorer developing countries. For details on Nordic debt policies in the World Bank see H. H. Vik, *Verdensbanken*, chapter 6. For details on Norwegian bilateral debt policies see A. A. Vassbø 'Spelet om Gjelda; Norsk bilateral u-landsgjeldspolitik med vekt på arbeidet i Parisklubben 1980-1991' (Cand. philol thesis, University of Oslo, 1999).

¹⁵ Another strategy, showing willingness to high financial contributions in the capital replenishment negotiations and through this build 'moral capital' was also important, although less important in the

This article is based primarily on Norwegian archives, but these also include large collections of papers from the formal and informal policy cooperation between Denmark, Sweden, Finland, Iceland and Norway, and the coordination with the board member representing the Nordic World Bank constituency.¹⁶ The available material, supplemented by interviews and other scholarly works, reveals a pattern where the Nordic countries realised its potential in the 1980 s to a greater degree than during both previous and subsequent periods.

Nordic profile in the World Bank

Before turning to the specific policy areas, some characteristics of the Nordic constituency in the World Bank need to be addressed as they explain the Nordic policy priorities in this period and why they could work consistently for their realisation. The distinct Nordic profile in the World Bank in the 1980 s and early 1990 s was a result of a fairly coherent and focused political agenda. This is not to say that the Nordic political agenda was not influenced by the major changes in the development aid thinking and theorizing in this period, or that their advocacy strategies were inflexible. But in the main, their priorities remained the same over time. The Nordic profile rested on two pillars – the first was their choice of responsible national agency, the other was the decision making structures of the World Bank.

day-to-day policymaking process (H. H. Vik, *Verdensbanken*, p. 51-52; H. Selbervik *Power of the Purse*, Chapter 8).

¹⁶ Policy reports from the Government to the Norwegian parliament (Stortingsmelding, St.meld.) and deliberations in the Parliament (Stortingstiende, St.t.) are available in major libraries, in the Storting Library also organized by theme, thus easier to identify the relevant parts for researchers. The documents available in the archives of the N[orwegian] M[inistry] of F[oreign] A[ffairs] and the N[orwegian] M[inistry] of D[evelopment] C[operation] (existed from 1984 through 1989) include memoranda and minutes from the Nordic coordination process, documents related to the work of the O[ffice of the] N[ordic] E[xecutive] D[irector in the World Bank], including its regular despatches (NM), as well as Norwegian unpublished working papers, memoranda and policy papers. This material was supplemented by archival research in the rather unstructured office archives of ONED and interviews with 23 persons who had either worked with Nordic World Bank policies, Dutch World Bank policies or had been World Bank staff in relevant departments in the 1980 s. The interviews were conducted in the period 1998-2000.

The majority of the Nordic governments had chosen to integrate World Bank policy with its development aid policy on the administrative level. The only exception was Finland where the Ministry of Finance held the most prominent position in formulating Finnish World Bank policy.¹⁷ The strong presence of ministries of foreign affairs stood in stark contrast to most other donor countries in the World Bank where the policies were formulated in their ministry of finance or national bank. The choice of responsible agency on national level would probably not have been so significant, had it not been for the fact that the Nordic countries worked as a group in the World Bank.

The Nordic countries shared a seat in the Board of Executive Directors in the World Bank and strove to appear as one entity in all other World Bank meetings, for example by delivering one joint speech at the Annual Meeting. The executive board was most important as it was responsible for the day-to-day business of the World Bank and had tremendous influence on formulating World Bank policy and priorities. Its members were elected from twenty-two constituencies put together to represent similar financial contributions. Six members were appointed from one-country constituencies, while the remaining sixteen were elected from groups of countries.¹⁸ As a result, most of the constituencies were made up of very different countries, and in contrast to the homogenous Nordic group, they often included both borrowing and non-borrowing countries.

The Nordic constituency stood out as especially concerned with what might be labelled as a “development aid agenda”, consistently engaged in reaching the poorest countries and the poorest people. The Nordics had little to say about the middle income countries, and were of IDA’s keenest supporters. Their main priority was to reduce poverty through projects involving poor people, developing the social sectors

¹⁷ In Finland the F[innish] M[inistry of] F[oreign] A[ffairs] participated, but did not have the primary responsibility. In Norway the responsibility for World Bank issues was transferred to the NMFA in 1978 where it remained, except for the years when the NMDC existed. Danida, an integral part of the D[anish] M[inistry of] F[oreign] A[ffairs], was responsible in Denmark. In Sweden, the World Bank issues were transferred to the M[inistry of] Fi[nance] from the S[weedish] M[inistry of] F[oreign] A[ffairs] in 1988 after a long inter-departmental turf struggle.

¹⁸ The executive board was elected by the Board of Governors. The United States, United Kingdom, France, Federal Republic of Germany, Japan and China (from 31 Oct 1983) were one-country constituencies.

and allocating loans on as soft terms as possible. Especially in the first half of the 1980s the Nordic views diverged from the dominant trends in World Bank thinking. They were consistently critical to what was conceived as an ideological bias against the role of the state in the borrowing countries and advocated policy issues that were not prioritized on the Bank's policy agenda. The recurring issue of cooperation and coordination between the World Bank and the International Monetary Fund (IMF), also called cross-conditionality, was met with support for an independent role of the World Bank.¹⁹ These policy priorities were not uncontested within the Nordic group, and the Finnish Ministry of Finance were most often in disagreement with the generally held views in the constituency.²⁰ But as long as the ministries of foreign affairs dominated the group, the development aid agenda had prominence.

The close cooperation between the Nordic countries also ensured institutional learning and continuity that strengthened the constituency and underpinned their appearance as one entity with a coherent policy. Most constituencies nominated their ED candidate according to an agreed pattern.²¹ In the Nordic constituency the position alternated every third year. The responsible ministries in the Nordic countries, hereafter called the Nordic capitals, had established routines to agree on common Nordic positions and sending instructions to the ED. The responsibility for taking the lead in the Nordic cooperation alternated with the ED position.²²

¹⁹ The most prominent example is the Nordic position on the Argentina case in 1988, see H. H. Vik *Verdensbanken*, pp 88-90 for details.

²⁰ The importance of the responsible national agency is also recognised when compared to the Dutch policies in the World Bank in this decade. The D[utch] M[inistry of] Fi[nance] and the Du[tch] M[inistry of] F[oreign] A[ffairs] alternated in nominating a candidate to the Executive Board and having the primary responsibility for the Dutch bank policies (Interview with Rien van Wier, Dutch MFA). This was probably an important reason why Dutch priorities seem to have been less coherent.

²¹ Both the Netherlands and Canada had made agreements with the other countries in their constituencies to ensure that they would always have the ED (Interview with Rien van Wier, Dutch MFA).

²² Due to limited institutional capacity, this did not apply when Iceland had the ED. Nordic ED's in the period were: 1979-1982 Hans Lundström (Sweden); 1982-1985 Pekka Korpinen (Finland); 1985-1988 Christian Ulrich Haxthausen (Denmark); 1988-1991 Jónas H. Haralz (Iceland), Denmark continued to coordinate the Nordic capitals until Mar/Apr 1990; 1991-1992 Einar Magnussen (Norway) and 1992-1994 Jorunn Mæhlum (Norway). All five countries had nationals in the staff in the ONED.

To be able to influence the day-to-day policy making processes, the Nordic capitals depended on the ED to pursue their priorities and voice their opinions. The ED's received their salaries from the Bank and had their offices on the top floor of the World Bank building. The Executive board met twice a week in closed sessions where the ED's discussed with the staff and each other rather than voted to get decisions. This contributed to their identity formation, and encouraged them to support the policy they found to be the best for the World Bank, rather than in the interests of their constituency. Consequently, personal acquaintances and case-by-case cooperation were important factors in the Board.²³ The Nordic ED's were generally loyal to the views expressed by the capitals, and this was crucial for the Nordic ability to speak with one voice in the World Bank.

Poverty reduction and structural adjustment lending (SAL)

Poverty reduction was the main policy priority of the Nordic countries, and their support for World Bank president Robert McNamara's basic needs strategy was strong long past his resignation in 1981.²⁴ The need for economic reform in borrowing countries became top priority for the Bank during the first half of the 1980 s, and poverty reduction almost disappeared from World Bank public documents and statements.²⁵ While previously almost exclusively a project lender, the increasing debt problems of the developing countries pushed the World Bank into increasing its policy lending. At the same time the crises pulled the IMF more deeply into less advanced developing countries. The IMF also extended some of its credits to medium length. The result was both competition and cooperation between the two sister institutions as they were sharing customers and increasingly developed similar loan facilities. But above all, it represented a tremendous new emphasis on budget loans to developing countries in exchange for major policy changes, which again forced other

²³ For a theoretical investigation of identity formation in international organizations see J. G. March and J. P. Olsen 'The Institutional Dynamics of International Political Orders', *International Organization*, XXXXXII (1998): 943-969.

²⁴ Inntrykk fra årsmøtet, Notat 2. Utv. Ktr/Aase, 30 Oct 1980, NMFA, 42.12/8, Vol[ume] 3; Notat årsmøtet 1982, 14 Sept 1982, NMFA, 42.12/8; Speech to the Annual Assembly by the Norwegian Finance Minister Rolf Presthus, 8 Aug 1982, NMFA, 42.12/8; H. H. Vik, *Verdensbanken*, pp 112-115.

²⁵ D. Kapur, *History*, p. 331.

aid donors to take a stand as to how their money should interact with the structural adjustment policy of the international financial institutions.²⁶

When the first SAL was proposed to the Board on February 5th 1980, the ED's were sceptical, and among those were the Nordic ED. The Nordic constituency accepted the new structural adjustment lending without enthusiasm.²⁷ Their position on SAL in its first years centred around three key questions – they claimed the developing countries had to receive additional funding to ensure the success of structural adjustment efforts, SAL and similar loans should be limited to a maximum of 10 percent of total World Bank lending, and cross-conditionality with IMF should be limited.²⁸ Although intended to be only a minor part of Bank activities and a one-time loan directed at policy changes in the borrowing country, SAL rose from only a small percentage of total World Bank lending the first years after its introduction in 1980, reached 25 percent in the mid 1980 s, and peaked at around 30 percent during 1987-90.²⁹

In the early 1980 s the Nordic countries tried to ensure the highest possible allocation of funds to projects with clear poverty reducing effects, such as agriculture and development of rural areas, and to maximise World Bank lending in the poorest countries. The Nordic countries had some focus on structural adjustment lending related to poverty, too. They argued on some occasions that the structural adjustment programmes should contribute to improve social and economic equality in the borrowing countries. For example, in 1982 they suggested that the World Bank

²⁶ Introduction of Structural Adjustment Loans (SAL), and with them the increased macroeconomic conditionality, raises several interesting questions about Nordic aid policy in general. For an impressive study of the Norwegian policy see H. Selbervik *Power of the Purse*.

²⁷ NM 80/69 Intervention on the Board by Hans Lundström, 22 May 1980, NMFA, 42.12/11, Vol 8; 2 Utv.ktr., Memo, 20.Oct. 80, NMFA, 42.12/8, Vol 3; H. Selbervik *Power of the Purse*, pp 238-242; D. Kapur, *History*, pp. 508-509; P. Mosley, J. Harrigan and J. Toye (eds) *Aid and Power: The World Bank and Policy-Based Lending* (London: 1991) pp 33-35.

²⁸ The Nordic countries expected the structural adjustment loans to be only a minor part of World Bank lending policy. In 1983 and 1987 the Bank proposed an increase in the proportion these loans could have of total lending. Both times the Nordic ED raised the question of additional funding, but did not oppose the proposals; NM84/275, 24 Oct 1984, NMFA, 42.12/12, Vol 3; Instruction 7 Mar 1986, *ibid*, Vol 6; Instruction, 5 Mar 1987, *ibid.*, Vol 8.

²⁹ D. Kapur, *History*, pp. 517-522.

should, in their policy dialogue with the borrowing countries, persuade them to increase their poverty reduction efforts.³⁰

From the mid 1980s, the Nordic countries started working systematically with poverty in relation to the adjustment policy. Both in absolute terms, and because of the impact it had on overall World Bank policy and on the aid policy of other donors, the structural adjustment lending was at this time beyond doubt the most important activity of the World Bank. It also prompted growing external criticism. Along with the efforts to raise awareness of the negative social impact of the structural adjustment lending, the Nordic countries developed a less sceptical attitude towards these programs in general.³¹ For example, in the spring of 1986, the Office of the Nordic Executive Director reported home that a certain polarization between developing countries and industrialised countries had occurred at the meeting of the Development Committee³² and that for the first time no conciliatory interventions were made by the Nordic representatives.³³

All three strategies to influence the World Bank were used to increase World Bank awareness of the social consequences of its structural adjustment policy. Nordic initiatives that can be identified as part of an institutional strategy – aimed at initiating and supporting proposals to build general competence and capacity among World Bank staff – was first used in this policy area at the same 1986 meeting of the Development Committee. Inspired by ongoing debates in the UNICEF, the Swedish deputy minister of foreign affairs, Bengt Säve-Söderberg, suggested that the Nordic countries should propose a World Bank evaluation of the social consequences of

³⁰ Memo Annual Meeting, 14 Sept 1982, NMFA, 42.12/8; Speech to the World Bank Annual Meeting by Mr. Rolf Presthus, Norwegian Minister of Finance, 8 Sept 1982.

³¹ Several studies include analyses of the Norwegian policy shift; H. Vik *Verdensbanken* chapter 5; H. Selbervik *Power of the Purse* chapter 6-7; F. Liland and Kirsten Alsaker Kjerland *1989-2002 På bred front* (Oslo: 2003) pp 31-34; **Engelsen; Forthcoming Pharo.**

³² The Development Committee is a joint ministerial committee for the World Bank and the IMF which meet biannually. It had 22 members in the years this article covers, and the composition alternated between the constituencies of the Bank and the Fund every other year. In addition, 9 chairs were reserved for each constituency at its plenary sessions; Development Committee Office Memorandum October 19, 1995, available at;

<http://siteresources.worldbank.org/DEVCOMMINT/Resources/OriginsArchiv7495.pdf>.

³³ Memo ONED to Nordic capitals, Meeting of the Development Committee 10-11 Apr 1986, NMFA, 42.12/12, Vol 6.

structural adjustment lending. Too late to be included in the Nordic speech, the proposal was put forward in the informal meeting.³⁴ Before the autumn meeting of the Development Committee, the Office of the Nordic ED explored the other ED's views and concluded that the proposal neither caused enthusiasm nor resistance.³⁵ At the meeting the suggestion gained enough support to be included in the communiqué with a recommendation to the staff to prepare such a report.³⁶

Six months later, in March 1987, a draft report was presented to the Board. According to the Nordic minute from this meeting the report drew a line between the economic imbalance affecting the poor in the borrowing countries and the direct effects of structural adjustment. It concluded that in the long run this policy would have a positive impact on the poor. In the meantime other World Bank loans would ease the negative effects. This was not good enough for the Nordic countries, which suggested that more targeted loans for the transition period were needed.³⁷

The institutional strategy was the most important Nordic strategy. The second strategy – closely investigating loan proposals and raising specific questions to the proposal when handled by the Board – was more complicated. When presenting loan proposals to the Board, the staff always expected the Nordic ED to raise questions concerning social equality.³⁸ But these were general questions asked without independent study of the loan proposals. A systematic and close study of a group of loans or all loans to a specific country would demand much more of the Nordic constituency. To be successful in this, the Nordic constituency had to follow a loan proposal from as early in the process as possible and make sure experts from other parts of the aid bureaucracy were available for giving advice on short notice when a loan proposal were presented to the Board.³⁹ In 1985 the Nordic ED to the World

³⁴ Interview with Niels Bodelsen (DMFA).

³⁵ NM86/288, 10 Sept 1986, NMFA, 42.12/41, Vol 11.

³⁶ Interview with Niels Bodelsen (DMFA).; Niels Bodelsen 'Danmark som medlem af Verdensbanken' *På lempelige vilkår, Verdensbanken, IMF og u-landene*, eds. K. K. Kristiansen and O. Olsen (København: FN-Forbundet, 1989), p. 137.

³⁷ NM87/46, 10 Mar 1987, NMFA, 42.12/12 Vol 8; NM87/287, 13 Aug 1987, *ibid.*, Vol 10. The final report was debated in the Development Committee in 1988.

³⁸ Interview with Heinz Vergin (World Bank).

³⁹ Historian Tore Linné Eriksen has criticized Norway for not taking advantage of its bilateral aid expertise when working with the World Bank Board; T. L. Eriksen 'Afrikas Krise - finnes det

Bank, Ulrik Haxthausen, suggested that the Nordic capitals sent instructions before Board discussions on structural adjustment loans to countries which received large proportions of bilateral aid from one of the Nordic countries.⁴⁰ This suggestion seems not to have been acted upon; although the impression of the communication with the Nordic Office reveals a general interest in loan proposals to major recipients of Nordic aid.

In 1987 the international criticism of the World Bank structural adjustment policy had grown strong. The Nordic governments and their representatives in the IMF and the World Bank were searching for new ways to influence the conditionality practises of the financial institutions. Among the suggestions at a Nordic workshop was a more systematic preparation on SAL proposals to the Nordic partner countries. Hans Lundström, the Nordic member of the IMF Board of Executive Directors, was present at the workshop and described the Nordic countries' profiles on structural adjustment in their partner countries as anonymous. After decades of bilateral aid cooperation the Nordic countries had enormous experience with some countries, so Lundström wondered why he rarely received instructions about loans to these countries.⁴¹

After the workshop, Ulrik Haxthausen, the Nordic ED to the World Bank, sent a memo to the capitals arguing for use of the bilateral experience in the home capitals to prepare Board discussions on general policy issues and individual loan proposals.⁴² This time the proposal spurred reactions. Denmark, being responsible for Nordic coordination in this period, took the lead with active contributions from Sweden and Finland. The three countries agreed on a shared responsibility for writing instructions on issues relating to particular countries, hereafter called the country instruction procedure.⁴³

Despite the explicit government policy of utilising knowledge of major recipients of Norwegian aid in the donor coordination process, Norway did not

alternativer til Verdensbankens diagnose og medisin?', *Utenrikspolitiske skrifter* 72 (NUPI, 1990), pp. 221-224.

⁴⁰ Minute, Nordic meeting on World Bank Issues 2-3 Dec 1985, NMFA, 42.12/12, Vol 5.

⁴¹ Minute, Nordic meeting on conditionality in Uppsala 30 Jan 1987, NMFA, 42.12/12, Vol 8.

⁴² NM87/374, 22 Oct 1987, NMFA, 42.12/12, Vol 11.

⁴³ ONED, Minute from Nordic Meeting on World Bank issues 16-17 December 1987; DMFA, Memo, Febr 1988, NMFA, 42.12/12, Vol 14.

participate in the country instruction procedure until the autumn of 1989.⁴⁴ The Norwegian bureaucrats had argued against a systematic follow-up of loan proposals and the ongoing reorganisation of the Norwegian foreign aid bureaucracy was given as a reason for not participating in the procedure.⁴⁵ But the reluctance was also based on a diverging view on how wield overall influence in the Bank most efficiently. The responsible bureaucrats in Norway feared that the new procedure would increase the workload in the capitals to an extent where other World Bank related work would have to be reduced. This would be counter productive as the Norwegians considered the institutional strategy to be more effective.⁴⁶ One may speculate, however, whether this reluctance also had other important reasons. The scepticism towards the World Bank structural adjustment lending was strong in other parts of the foreign aid bureaucracy.⁴⁷ Broader involvement of country-specific experts could potentially result in positions on loan proposals that were not coherent with the general Nordic policy on structural adjustment. Such critical positions on individual loan proposals was likely to be considered counter productive to the Nordic standing in the World Bank and therefore a possibility to be avoided by the responsible bureau in the Ministry of Development Cooperation.

The country instruction procedure proved to be difficult to implement. The departments responsible for bilateral aid were not welcoming the extra workload, and it was difficult to get the information quickly to and from persons with the right expertise.⁴⁸ In Denmark the political leadership in the MFA had to intervene to ensure compliance by the supporting bureaus.⁴⁹ Hence, the country instruction procedure had only modest practical consequences and did seldom produce the kind of in depth instructions the procedure aimed at.

The third approach, used frequently after 1986, was to support poverty reduction activities through co-financing. Donor countries co-financed projects and programmes with the World Bank in addition to their regular annual contributions.

⁴⁴ St.meld 34 (1986-87), pp. 23-24; Interview with Odd Jostein Sæter (Deputy Minister of Development Cooperation June 1983 to May 1986); Memo, 13 Oct 1989, NMFA, 42.12/12, Vol 24.

⁴⁵ Minute, Nordic Meeting on World Bank Issues 10-12 Jan 1989, NMFA, 42.12/12, Vol 20.

⁴⁶ Interview with Jorunn Mæhlum (NMFA and Nordic ED) and Kjell Halvorsen (NMFA).

⁴⁷ H. H. Vik, *Verdensbanken*, pp. 71-73; H. Selbervik, *Power of the Purse*, pp 38-46 and 265-267.

⁴⁸ Interview with Niels Bodelsen (DMFA).

⁴⁹ Interview with Niels Bodelsen (DMFA).

The latter contribution was decided in the annual budget, but the use of co-financing allowed the donor to support specific activities. What is especially interesting when looking at strategies of influence is that Norway used some of its money to support the Nordic initiatives in the Bank's governing bodies.⁵⁰ A shift in the policy preferences on the top level of an organization has great consequences for its rhetoric, but the practical consequences are often limited. This was also the case with regard to the operational consequences of World Bank policies in the 1980 s. Everything did not change; a lot of people continued working with issues that were important on the Bank's policy agenda in the 1970 s, that almost disappeared from the agenda in the first half of the 1980 s. Even at the height of structural adjustment lending, close to two thirds of Bank lending were project loans. But working on issues outside the policy spotlight often meant you had limited regular funding for new initiatives. Realising this, bureaucrats in the Norwegian Ministry of Development Cooperation started to fund such activities.

Strategic co-financing became an important Norwegian strategy in the latter part of the 1980 s. None of my informants have known of any other country that used their funds in a similar way. The most likely explanation was that the same bureau in the Norwegian Ministry of Development Cooperation handled both the World Bank policy and the co-finance budget. When offering seconded personnel, research funding, and co-financing projects and seminars, this could be channelled to activities that the Norwegians believed did not receive adequate funding through the regular budget process. This money facilitated and supported special interests of Bureaus and individuals in the Bank sharing Nordic concerns.⁵¹

⁵⁰ The co-financing strategy was developed at a middle level in the Norwegian Ministry of Foreign Affairs and strategic use of these funds was first described in St.meld. no 51 (1991-1992); see also H. H. Vik, *Verdensbanken*, pp. 52-58 and H. Selbervik, *Power of the Purse*, pp. 88-97. Norway used between six and eight percent of its annual aid budget to co-finance activities with multilateral institutions, and around forty percent of this were spent on World Bank activities. No systematic study of this portfolio exists.

⁵¹ Interviews with Barbara Herz, Alexander Shakov, Heinz Vergin (all World Bank staff), Gerard P. M.H. Steeghs, Rien van Wier (both DuMFA), Niels Bodelsen (DMFA), Einar Magnussen (Nordic ED), Helge Semb, Trond Folke Lindberg, and Kjell Halvorsen (all NMFA); Minute, Nordic Meeting 20 Nov 1986, NMFA, 42.12/12, Vol 7; NM86/346 31 October 1986, *ibid.*; Guy P. Pfeffermann to Jorunn Mæhlum, Letter, 1 Sept 1987, *ibid.*, Vol 11.

Activities directed at increasing the Bank's capacity and experience in dealing with poverty were supported. For example, Norway was one of the major contributors to the Social Dimensions of Adjustment-programme (SDA), a co-operation between the World Bank, United Nations Development Programme, African Development Bank and bilateral donors, contributing NOK 53,5 million in a four-year period from 1988, in addition to seconded personnel.⁵² In 1989 bureaucrats working with Norwegian bilateral aid were critical of the project quality in SDA, but the bureaucrats working with World Bank issues did not share this viewpoint.⁵³ Their primary concern was getting the World Bank headquarter engaged in poverty reduction, and in this respect SDA was a success.⁵⁴ This disagreement shows how the institutional approach, a sort of "trickle down" strategy, was fundamental in the Norwegian attempts to influence World Bank policies.

Increased emphasis on environmental concerns from the mid 1980 s

Environmental protection was a priority in the World Bank from the early 1970 s.⁵⁵ But after the oil crisis in 1973, interest declined. During the 1980 s the Bank was increasingly criticised by environmentalist non-governmental organisations (NGO). The role of American NGOs and the subsequent engagement by American authorities were decisive factors in making the Bank re-engage in environmental issues. But there were also several other contributing factors.⁵⁶ Among these was the Nordic emphasis on environmental issues. In the mid 1980 s the Bank's concern with these questions rose, and in the 1987 reorganisation of the Bank, the staff working with environment protection issues increased from five to approximately fifty.⁵⁷

⁵² Memo, 12 May 1995, NMFA, 46 IBRD-SDA, Vol 2; St.meld. no 16 (1990-1991) p. 40; St.meld. no 66 (1991-1992) p. 36.

⁵³ Memo, 29 Nov 1989, NMFA, 46 IBRD-SDA, Vol 1.

⁵⁴ See details in H. H. Vik, *Verdensbanken*, pp. 126-128 and H. Selbervik, *Power of the Purse*, pp. 92 and 255-257.

⁵⁵ For an authoritative account of the evolution of the World Bank environmental policy, see R. Wade 'Greening the Bank: The Struggle over the Environment, 1970-1995' in Kapur et al. *Persepectives*, pp. 611-735. See also Ibrahim F. I. Shihata *The World Bank in a Changing World. Selected Essays and Lectures* Vol II, (The Hague; London; Boston, 1995), Chapter 5.

⁵⁶ R. Wade, *Greening the Bank*, pp. 654-55.

⁵⁷ R. Wade, *Greening the Bank*, p 675.

In the early 1980 s the Nordic countries worked with environmental issues along the same lines as they did with structural adjustment. They used the Board as an arena for declaring their Bank policy principles, but did not use expertise in the home capitals to evaluate specific loan proposals or prepare policy discussions. The Brazilian Polonoroeste project was an eye opener to the Nordic countries. American environmental NGOs had campaigned against the project since 1983 and had successfully built an international network by contacting NGOs, politicians and bureaucrats in other countries.⁵⁸ Non-governmental organizations in the Nordic countries, especially in Denmark, started to criticize the project, and a Danish member of parliament even raised the issue at the 1985 meeting of the Nordic Council.⁵⁹ The reason for the earlier and much more vivid debate in Denmark was probably that the American NGOs concentrated on the countries that were represented on the World Bank Executive Board.

Even though environmental issues were a concern the Nordic countries had advocated internationally for years, and the special role Norway got in the Bruntland Commission, it was the domestic criticism that really put it on the Nordic policy agenda in the World Bank. From 1986 the Nordic countries followed the same three advocacy strategies on environmental protection as they did on poverty. They suggested and supported efforts to increase the capacity in the World Bank Headquarters. Initiatives to increase staff dedicated to environmental concerns is a prominent example of this strategy. The newly appointed World Bank president Barber Conable led a major re-organisation of the Bank from 1986 to 1987. He declared that he wanted one hundred new professional positions on environmental questions, a very ambitious statement considering the US policy of never accepting increased funding for administrative spending in the annual budget processes. This was a power struggle and Conable probably used this to increase overall US funding of the Bank.⁶⁰ While the ED's from developing countries resisted the increased Bank

⁵⁸ R. Wade, *Greening the Bank*, pp 650-51, 656, 661, 667, 670.

⁵⁹ Danida, Memo, 10 Oct 1986, NMFA, 42.12/12, Vol 6; DMFA, Reply to Margrete Auken, 6 Feb 1986, *ibid.*; NM87/35, 30 Jan 1987, *ibid* Vol 7.

⁶⁰ NM86/34, 2 July 1986, NMFA, 42.12/12, Vol 5; NM88/76, Minute, Board Meeting 29 Feb 1988, *ibid*, Vol 14.

involvement in environmental issues both generally and on this issue specifically, the Nordics strongly supported it.

The second strategy – a close follow-up of concrete loan proposals and projects – was also used. American politicians and authorities demanded in 1985 that the World Bank should revise its environmental policies.⁶¹ Initiated by the Office of the Nordic ED, the capitals agreed to let the ED voice Nordic concerns about the Polonoeste project in a meeting with the Bank leadership.⁶² One week later, in January 1986 and at the Danes' proposal, the Nordic capitals asked the Office of the Nordic ED to investigate the World Bank positions on existing proposals aimed at increasing environmental awareness and also investigate the views of the other ED's, in particular the US and ED's from developing countries.⁶³ In its response, the Office of the Nordic ED highlighted what would become the major priority of the Nordic countries in the years to come – to ensure that existing procedures to include environmental considerations in the project designing phase were actually adhered to when the projects were implemented.⁶⁴

The World Bank administration rejected the American position of non-lending to projects that would have a negative environmental impact. The main argument was that if private investors financed the projects, only conditionality strictly directed at ensuring the economic viability of the project would be demanded from the borrower. Therefore, the Bank argued, World Bank financed projects were less damaging.⁶⁵ The Nordic countries agreed and did not want the Bank to withdraw from such projects. However, as a response to the NGO's criticism in the Nordic countries, the capitals started to formulate a standing instruction. Here, as in the later discussion on a country specific instruction on structural adjustment programs, the Norwegians were the least ambitious.⁶⁶

⁶¹ Danida, Memo, 10. Jan 1986, NMFA, 42.12/12, Vol 6; N. Bodelsen, *Danmark*, p 141.

⁶² Danida, Memo, 10 Jan 1986, NMFA 42.12/12, Vol 6.

⁶³ Draft instruction, 17 Jan 1986, NMFA, 42.12/12, Vol 5.

⁶⁴ NM86/34, 24 Jan 1986, NMFA, 42.12/12, Vol 6.

⁶⁵ R. Wade, *Greening the Bank*, p 671.

⁶⁶ Danida, Memo, 10 Jan 1986 NMFA, 42.12/12, Vol 6; Danida, Memo, 16 Jan 1986, *ibid.* Vol 5; Draft instruction, 17 Jan 1986, *ibid.*; NMFA, Fax, 6 Mar 1986, *ibid.*, Vol 6; Draft instruction, 20 Mar 1986, NMDC, 37 Nordiske telefonkonferanser 1985-1986.

In the standing instruction on environmental issues, the Office of the Nordic ED was asked to pay special attention to projects with large consequences for the environment and indigenous peoples. In such cases the capitals should receive an early warning with the relevant documents and also descriptions of the other ED's positions. The Nordic ED was also asked to intervene in the relevant Board discussions. The archival material shows that subsequently the Office of the Nordic ED more often sent detailed information on such projects and commented on statements in the Board on these issues. On one occasion the Office reported that such a Nordic intervention had caused the staff to make a thorough investigation into the environmental consequences of a loan proposal.⁶⁷

Initially, the Nordic countries did not want to put pressure on the developing countries. This attitude changed and in 1989 they actively supported conditionality on environmental issues. They now supported integrating environmental protection in structural adjustment loans. They also decided to argue for applying a strict policy for accepting prolongation of projects that had caused serious environmental damages.⁶⁸ The much debated and criticised Narmada project surfaced as problematic in late 1989, and turned out to be a tough case for the Nordics as well as for the World Bank as a whole. The high activity in the public sphere again forced the Nordic capitals to spend much time and effort into a close follow up of concrete loan proposals.⁶⁹

The strategic use of co-financing to support an environmental initiative was first done when Norway used NOK 2 mill to finance a World Bank expert conference in Oslo on deforestation in the Sahel Region. The preparation of this conference gave the Norwegians personal relations with the relevant World Bank staff.⁷⁰ As one of few countries, Norway continued to give earmarked funding to environmental activities. In the aftermath of the Brundtland Commission report, Norway and the World Bank agreed on several follow-up activities. Norway spent NOK 36.5 mill in 1988 to 1990 on World Bank environmental activities.⁷¹

⁶⁷ NM 87/363, 13 Oct 1987, NMFA 42.12/12, Vol 12.

⁶⁸ Revised instruction on environmental issues, 29 Aug 1989, ONED.

⁶⁹ The Narmada-case in general is described in R. Wade, *Greening the Bank*, pp 687-709 and the Nordic activity is elaborated in H. H. Vik, *Verdensbanken*, pp 210-219.

⁷⁰ Interview with Helge Semb (NMFA/DUH) and Niels Bodelsen (DMFA/Danida)

⁷¹ Fax, 15 Oct 1990, ONED; Memo, 8 Aug 1990, NMFA, 46 IBRD Environment, Vol 1.

Women in development

Tracing Nordic influence in the World Bank is relatively easier when it comes to increasing the World Bank awareness of the role of women in the development process. This is mainly because it was such a minor issue on the World Bank agenda, and it had relatively few supporters. Norway was the main proponent among the Nordics for pushing the “Women in Development” (WID) agenda.

In the annual meetings in 1982 and 1983, the Nordic speech was the only one including remarks on the social conditions for women in the developing countries. In a meeting with World Bank president Alden W. “Tom” Clausen before the 1983 speech at the annual meeting, the Nordic delegates asked why women were not an issue in the 1982 Annual Report. After the meeting they reported home that Clausen seemed surprised that it was not, and that he included a section on women in his closing speech to the Annual Meeting. The Norwegian Ministry of Foreign Affairs sent a copy of Clausen’s statements to several Norwegian embassies and delegations, including the Norwegian UN delegation, to be used to argue for greater emphasis on women’s issues. In 1984, the Annual Report included a chapter on women’s role in the development process.⁷² This was seen as a direct result of Norwegian and Nordic advocacy.⁷³

In the 1987 reorganization of the Bank the work with women’s issues was strengthened by expanding the relevant staff from one advisor to a division of five professionals.⁷⁴ But the division had problems financing its operational activities. Norway used its co-financing funds strategically by seconding personnel to the women’s division and funding operational activities such as “best practices” projects, the “Safe Motherhood Initiative” programme and developing country specific strategies. In the period 1987 to 1989 Norway funded as much as 60 percent of the

⁷² The World Bank Annual Report 1984, pp.66-69; Fax, 30 September 1983, NMFA, 42.12/8, Vol 4; Letter P. G. Schøyen to Mrs Gloria Schott, 11 October 1983, *ibid* Vol 5; Speech by Per Taxell, 22 June 1984, NMFA, 37 1.1.1984-31.12.1984.

⁷³ St.meld. 34 (1985-1986) p 213.

⁷⁴ Norwegian Deputy Minister for Development Cooperation Arne Arnesens meetings in the World Bank, Memo, 1 Oct 1987, NMFA, 42.12/12, Vol 11.

operational costs related to the Women's division.⁷⁵ In 1989 the Bank had increased its funding of these activities, and Norway now financed only 25 percent.⁷⁶ This was conceived by the Office of the Nordic ED to be an acceptance of the Nordic criticism of the Bank not taking over the financial responsibility for these initiatives and also for not being committed to the Women in Development agenda.⁷⁷ However, the Nordic ED Jónas H. Haralz was not overly optimistic on behalf of the Bank. In a preparatory Board meeting before the spring meeting of the Development Committee in 1989 he said:

“(it is) equally important also to include attention to ‘Women in Development’. I have previously criticized the discrepancy between words and deeds in this context. I am confident, Mr. Chairman, that the President would not want to eliminate the discrepancy by leaving out the words.’⁷⁸

A discrepancy between words and deeds remained despite notable progress. At the general policy level, more attention was given to WID. In a 1991 progress report, the Bank found that the figure for WID discussions and recommendations in Bank economic and sectoral reports had risen from 25 percent in fiscal year 1989 to 62 percent in 1991.⁷⁹ But its operational consequences were still limited, and the Bank acknowledged that the “the sample of country and sectoral strategies and of projects with specific women-in-development actions is fairly limited.”⁸⁰

Closing remarks: Cooperation and Coherence

The Nordic countries worked actively to influence the World Bank's policies during the 1980 s and were noticed for their engagement. It was rough waters and the Nordic policy was carved out in a balancing act between an idealistic and moral domestic aid discourse and a limited room for manoeuvre in the World Bank. By the late 1980 s

⁷⁵ Christian Michelsens Institute, ‘WID/Genderunits and the Experience of Gender Mainstreaming in Multilateral Organizations, Knights on White Horses?’, *Evaluation Report*, 1 (Norwegian Ministry of Foreign Affairs, 1999), p 13.

⁷⁶ St.meld. 16 (1990-1991) p 42.

⁷⁷ Interview with Barbara Herz (World Bank staff); NMFA 42.12/12 Vol 21 NM 89/86 7 March 1989.

⁷⁸ Statement by ED Jónas H. Haralz, 2 March 1989, NMFA, 42.12/12, Vol 21.

⁷⁹ World Bank ‘Women in Development: Progress Report on the Implementation of the World Bank's Operational Strategy ‘ Development Committee Pamphlet 28 (1991), p. 45, cited in Nicholas Stern and Francisco Ferreira ‘The World Bank as ‘Intellectual Actor’’ in Kapur et al. *Perspectives*, p. 567.

⁸⁰ *Ibid* p. 567.

and early 1990 s, Norwegian politicians and civil servants declared that there was now international consensus on overall development strategies, and that the World Bank had changed for the better.⁸¹ Many scholars have analysed the development aid debates during this decade, and although there is no general agreement on the existence of a consensus in the early 1990 s, most agree that the positions were closer as compared to the mid-1980 s.

It is not possible to identify to what extent changes in the World Bank can be directly associated with the efforts of the Nordic constituency, even though one comes close with the women in development agenda. The Nordic efforts were part of an internal and external dynamic that together raised the World Bank's awareness of social consequences of the structural adjustment policy, and diversified the Bank's political agenda. For example, the Nordic initiative on performing a SAL poverty evaluation was probably important for the timing of the decision, but not decisive for getting poverty back on the top of the World Bank agenda. However, it is clear that the Nordic constituency stood out in having a coherent appearance despite changing Executive Directors. This gave the Nordics opportunity to pursue their priorities, and the staff expected them to voice their concerns. And in addition, being so closely coordinated their ED enjoyed a special legitimacy. The other executive directors and the staff knew that when the Nordic ED spoke, it was on behalf of all the Nordic countries.

Even though the most important conclusion of this study is that the Nordic countries' consistent profile was crucial for their ability as small states to play an important role in the World Bank, there were noticeable changes in their policy priorities and strategies to influence the World Bank. The Nordic countries became more supportive of the need for fundamental changes in the economic policies of the developing countries, and accepted more pressure to be put on the lenders in terms of conditionality and donor coordination. But even as they agreed on the need to reform, the Nordic constituency continued to be a critical voice in the Board, pushing for evaluations and for overarching strategic discussions.

⁸¹ See f. ex. St.meld. 34 (1986-1987) p. 22-23; St.prp. 1 (1989-1990) p 88; St.meld. 13 (1989-1990) p 84; St.meld. 16 (1990-1991) p. 40; St.meld. 49 (1990-1991) p. 11; St.t. 1989 p. 3284 Kirsti Kolle Grøndahl; *ibid* 1991 p 1125 Grete Faremo.

The strategies to influence the World Bank evolved in this decade fuelled by an optimistic belief in the Nordic ability to influence the World Bank. The institutional strategy was evident in all the policy areas the Nordics were engaged in. They supported increase of staff in prioritised policy areas; suggested evaluations and made sure their concerns were raised in all relevant discussions to prompt reply and preparation from the staff. The two other strategies supplemented this strategy from the mid 1980 s. Domestic public opinion put pressure on the capitals to actively search for new ways to influence the World Bank. This criticism seems to be the reason why the Nordics chose to agree on procedures aimed at careful analyses of individual loan proposals.⁸² Only the United States had the institutional capacity to carry out detailed review of every Bank loan proposal, and was in a privileged position to engage in dialogue with the Bank staff at early stages of a loan proposal.⁸³ For the Nordics this strategy however well intended, was not successful.

The authors of a comprehensive study on the World Bank's first half century argue that the practice of supplementing the Bank's administrative budget by "providing, outside of the regular budget process, 'trust funds' that targeted particular activities and consultants' was a result of frustration over limited influence in the Bank's governing bodies.⁸⁴ When Norway started using co-financing strategically to support Nordic efforts in the Board, it was not out of frustration, but rather optimism. Norwegian bureaucrats believed that initiatives in the formal policymaking process could be supported by seed money, and also proved this when funding operational activities of the women division.

The coherence of the Nordic constituency was eventually challenged, and historian Hilde Selbervik has found that the less coherent Nordic political agenda led in the 1990 s to less Nordic influence.⁸⁵ In Sweden the responsibility for World Bank issues were transferred to the Ministry of Finance in 1988 and this gradually diversified the Nordic policy agenda. In addition, the Baltic countries, all borrowing countries, became members in the World Bank in 1992. The Nordic constituency was

⁸² For a relevant theoretical inquiry see R. Putnam, 'Diplomacy and Domestic Politics: The Logic of Two-Level Games', *International Organization* XXXXII(1988): 427-460.

⁸³ C. Gwin, *The US and World Bank*, pp. 247-249.

⁸⁴ D. Kapur, *History*, p. 47.

⁸⁵ H. Selbervik, *Power of the Purse*, p. 268.

now extended to a Nordic-Baltic constituency. This had few immediate consequences as they had limited capacity to participate actively in the Nordic coordination processes.⁸⁶ But it probably led the constituency to focus more on less poor lenders, a focus the Finish ministry of Finance had argued for during the 1980 s. As the coordinated and coherent appearance was weakened, so was also the Nordic countries ability to influence the World Bank.

⁸⁶ Interview with Ruth Jacoby (Nordic ED and SMFA).