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The Evolution of the World Bank's Anti-Corruption Programming: An Analysis of Driving and Limiting Factors

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Abstract

This paper explores the evolution of the World Bank's anti-corruption programming and examines its driving and limiting factors. Building on a novel dataset of World Bank anti-corruption activities and on expert interviews, the paper investigates the impact of factors internal and external to the World Bank on the institution's anti-corruption programming. The analysis distinguishes three agendas operating under the anti-corruption label that differ in their conceptual understanding of corruption as "a crime", "a matter of public administration", and "a matter of power and politics". The paper finds that internal factors related to the World Bank's legal and policy mandate, the underlying financial model, and the organizational culture are among the most significant in explaining the evolution of the institution's anti-corruption programming. Findings suggest that addressing those factors will be crucial for the effective renewal of the World Bank's strategic and operational approach to doing anti-corruption.

Keywords: World Bank; anti-corruption; good governance; international organizations; development

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Table of Contents

1. WORLD BANK'S ANTI-CORRUPTION AS AN OBJECT OF RESEARCH

1.1. The Topic of this Paper

The World Bank[1] (hereafter 'the Bank') went from being skittish about the very mention of the word corruption until the early 1990s to later being widely considered *primus inter pares* among international organizations in addressing corruption, both as vision and practice. The Bank has contributed to expanding the knowledge base on corruption and anti-corruption both through numerous in-house studies (e.g., Beenstock, 1979; World Bank, 1997a; Huther & Shah, 2000; World Bank, 2000a; World Bank, 2007d) and by commissioning research from eminent corruption scholars, including Rose-Ackerman (1998), Klitgaard et al. (2000), and Johnston (2010), to name just a few. Of particular relevance to corruption research has been the Bank's World Governance Indicators (WGI) initiative. Since its launch in 1996, the initiative annually monitors the Control of Corruption (CoC) indicator, an aggregate measure of corruption perceptions for over 200 countries. Despite the known limitations associated with perception data and with aggregating data from a large number of different sources, the CoC indicator has been used widely in anti-corruption research. In addition to its analytical contributions, the Bank played a leading role in shaping the practical anti-corruption agenda. In 1996, then-President of the Bank, James Wolfensohn, delivered a widely-cited speech in which he warned of the need to deal with what he called the "cancer of corruption". This led to the erosion of the taboo of openly and formally discussing corruption and its consequences at the Bank.

The same year, a *Corruption Action Plan Working Group* was set up and tasked with updating the Bank's strategy to incorporate the development of institutional competency to identify, mitigate, and prevent corruption. Pursuant to this updated strategy, the Bank implemented over a thousand activities with an explicit anti-corruption focus between 1996 and 2016. Due to repeated revelations of major corruption scandals all over the globe in recent years and increased demand for good governance by citizens, the Bank is currently evaluating strategies to scale up its anti-corruption programming (World Bank, 2019a). In the past, however, a clear disjuncture has been observed between the aspirations to curb corruption formulated in strategic documents and its actual implementation in program designs (Johnsøn, 2016).

Against the backdrop of the Bank's renewed strategic emphasis on anti-corruption and the perceived strategy-implementation gap in the past, this paper investigates the driving and limiting factors of the World Bank's anti-corruption programming. To do so, the paper is structured in three parts. First, the paper provides historical context, describing the main factors behind the Bank's evolution from vigorously avoiding the issue of corruption to proactively addressing it. Second, it operationalizes the dependent variable (i.e., the Bank's anti-corruption programming), with the result of the first comprehensive inventory of World Bank activities with an explicit anti-corruption focus spanning the years 1996-2016. Third, it systematically reviews both external and internal factors impacting the Bank's anti-corruption programming. External factors are assessed quan-

[1] The term "World Bank" refers only to the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), as opposed to "World Bank Group", which includes three other organizations, among them the International Finance Corporation (IFC).

titatively using a range of publicly available cross-country panel data. Internal factors are examined triangulating inventory data, qualitative interviews, and primary and secondary source documents. The discussion of internal factors differentiates between three agendas that have been operating under the anti-corruption label and which differ in their conceptual understanding of corruption as "a crime", "a matter of public administration", and "a matter of power and politics". The paper concludes with some lessons learned for the renewing of the Bank's strategic and operational approach to doing anti-corruption.

1.2. Previous Research

Several researchers within and outside the Bank have attempted to assess the Bank's engagement on anti-corruption by examining samples of strategic documents and projects. A commonly-applied approach is to measure the frequency of occurrence of keywords related to anti-corruption in country assistance strategies (CAS). In 2000, a report evaluating the implementation of the Bank's first anti-corruption strategy[2] which had been endorsed by the Board in 1997, examined a sample of 37 CAS. It found that 78% discussed governance and corruption (World Bank, 2000b). In 2011, a report examining 47 CAS written between 2000 and 2011 for 18 selected countries found that two thirds of countries made above-average progress in implementing the 2007 Governance and Anti-Corruption (GAC) strategy[3] (Governance Partnership Facility, 2011). Overall, relying on the examination of CAS to assess the implementation of anti-corruption objectives faces the limitation that these documents are only snapshots of country-level issues and tend to contain few details on actual programming. Bank staff reported instances where the CAS discussed anti-corruption at great length but where this emphasis was not reflected at the project implementation level.[4]

Research focusing on the project-level includes a 2009 study that examined 180 projects approved in the 2008 fiscal year to assess the progress in operationalizing the GAC strategy (World Bank, 2009). The study included a rigorous benchmarking exercise and established a baseline of the extent to which GAC had been mainstreamed into projects. Examining appraisal documents of a representative sample of 180 projects, drawn from a universe of 344 projects approved in the 2008 fiscal year, the study found that GAC had already been incorporated in the operational design of almost half of the projects. Furthermore, it reported that somewhat more attention was given to fiduciary aspects of GAC compared to political economy risks and demand side measures.[5] Although an analytically sound baseline was established in 2009, the benchmarking exercise has unfortunately never been repeated since due to declining interest and funding for the GAC agenda in subsequent years.

In 2015, Denly conducted a quasi-experimental study to assess the impact of anti-corruption action plans (GAAPs) and governance and anti-corruption strategies on project outcomes. He manually coded appraisal documents of 3,437 projects approved between 2001 and 2014 and found that, on average, using GAAPS or governance and anti-corruption strategies led to better project outcomes (Denly, 2015). In 2016, Johnsøn compiled a list of 259 projects which the Bank had clas-

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[2] *World Bank. (1997a). Helping Countries Combat Corruption: The Role of the World Bank*—the first systematic framework for the Bank's work in the area of anti-corruption.

[3] *World Bank. (2007a). Strengthening Bank Group Engagement on Governance and Anticorruption* - also referred to as the GAC Strategy - replaced the 1997 strategy and became the new guiding policy framework on anti-corruption.

[4] Author's interview with former senior World Bank staff member, May 2019.

[5] The study assessed the responsiveness of projects to GAC along three dimensions: Attention to Governance and Political Economy (GPE), GAC in Fiduciary Aspects (GFA), and the Demand Side of Governance (DSG). See World Bank (2009) for details on the methodological approach applied in the study.

sified under the thematic tag 'other accountability/anticorruption' between 1991 and 2015. He created a trendline to illustrate the number of projects and financial commitment related to 'other accountability/anti-corruption,' showing that between 2005 and 2015 there was no significant upward trend in either the number of projects or in financial commitments (Johnsøn, 2016). Filtering projects by the thematic tag yields incomplete results for two reasons. First, because the tag was applied inconsistently, particularly in the early years when semantic proxies for corruption were occasionally used in project documents to avoid the "C-word". Second, a simple search by thematic tag does not give an indication of the extent to which the project is about anti-corruption and includes projects that only tangentially relate to anti-corruption.

In the absence of a consistently applied thematic tag that would have allowed for the rapid identification of anti-corruption projects, some researchers resorted to reporting aggregated lending data for themes closely related to anti-corruption. For example, Weaver (2008) reported aggregated lending data associated with the themes "public sector governance" and "rule of law" to underpin the assertion that the Bank's anti-corruption agenda grew significantly between 1990 and 2006. Although those figures are certainly a valid proxy for the Bank's engagement in anti-corruption, by exclusively focusing on lending data, they also face the limitation of omitting the important non-lending work that the Bank is conducting in that area. Furthermore, inferences should be drawn with caution from budget data of anti-corruption activities due to the fact that these activities tend to be less capital-intensive than those in other sectors. In the transport sector, for example, a more straightforward positive relationship can be assumed between the size of investment loans and the Bank's engagement in that area. Anti-corruption projects, on the other hand, tend to require less capital but more monitoring by Bank staff. Therefore, a smaller amount of total anti-corruption lending aggregated from a larger number of projects might possibly be an indication of higher commitment to anti-corruption by the Bank than a larger amount of total anticorruption lending that is aggregated from a smaller number of projects. Given this limitation but also the fact that budget data is not available for a large part of the non-lending activities, this paper operationalizes the Bank's engagement in anti-corruption primarily as the number of activities rather than the size of investment.

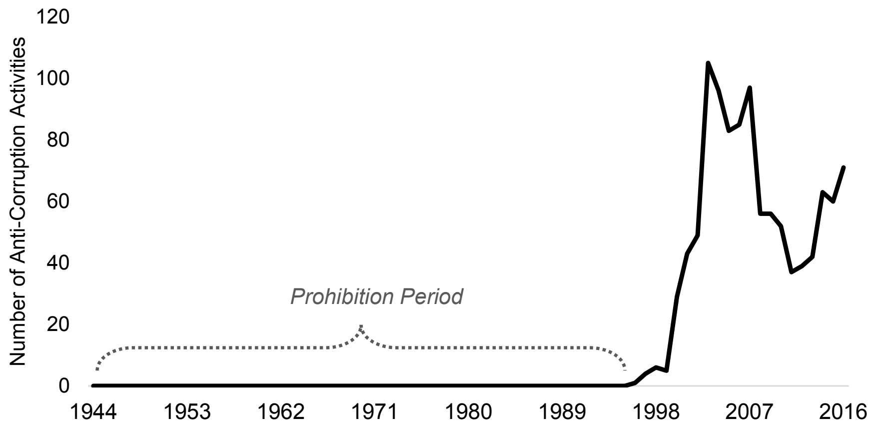
An important limitation to inferring a better understanding of the Bank's engagement on anti-corruption shared by previous studies is that they tend to exclude the Bank's analytical work. The dataset presented in this paper shows, however, that the large majority of the Bank's engagement in anti-corruption took the form of non-lending activities, which include technical assistance, analytical work, and trainings. In fact, over 80% of the 1,079 activities with an explicit anti-corruption focus carried out by the Bank between 1996 and 2016 are non-lending activities, and only 13% are lending operations (i.e., projects). After filtering through the about 105,000 activities that have been assigned project identification numbers between 1996 and 2016, this paper presents not a sample, but a full census of the population of activities with the common characteristic of having an explicit anti-corruption focus. By presenting and interpreting a comprehensive inventory that includes both lending and non-lending activities, this paper intends to build on and contribute to research aimed at gaining a better understanding of the Bank's engagement on anti-corruption.

2. THE PROHIBITION PERIOD, 1944–1995

When considering the whole history of the World Bank since its creation in 1944, the explicit addressing of corruption in its programming is a relatively recent phenomenon (see *Figure 1*). Until the late 1990s, the Bank's General Counsel interpreted the articles of agreement, under which the

Bank was established and which allowed it to deal with only economic issues (i.e., not with political ones), in such a way that it regarded corruption as a political issue and therefore beyond the Bank's mandate. Earlier Bank documents dance delicately around the issue of corruption, using euphemisms instead of the word itself. It was not until James Wolfensohn brought corruption to center stage in 1996 that the practice of avoiding any explicit use of the C-word was broken (Levy, 2014, p. 204). This section discusses both external and internal factors which conjointly created the space for Wolfensohn to address corruption explicitly. While the explicit addressing of corruption progressed from being thinkable, to stateable, then doable, so has the underlying understanding of corruption and the discourse surrounding it evolved over time. The anti-corruption discourse shifted from being narrowly focused on corruption as primarily a fiduciary risk in Bank operations to one that placed anti-corruption within a broader governance agenda. The main factors impacting this evolution are discussed below to provide historical context and to set the stage for the subsequent presentation and interpretation of the Bank's anti-corruption programming over the 1996–2016 period.

Figure 1: The Evolution of Anti-Corruption at the World Bank—from Prohibition to Prominence



Legend: Stylized depiction of the shift in importance of anti-corruption at the World Bank since 1944. The vertical axis represents the number of newly approved anti-corruption activities per year.
Source: Author's own figure.

2.1. External Context, pre-1996

Interviewees unanimously agreed that Wolfensohn's personal influence is a key variable in explaining the sudden shift of the Bank's anti-corruption agenda from prohibition to prominence after 1996. Aside from the personalized Wolfensohn effect, however, a number of external contextual factors have likely contributed to enabling this shift.

Major geopolitical changes in the early 1990s triggered transitions from command economies to market economies in the former Soviet Union and the Eastern Bloc, during which corruption was exposed as a major developmental challenge. In settings of weak basic institutions, the transition path often led to a concentration of economic power, state capture, and widespread administrative corruption. Particularly as the Bank started expanding its engagement in the former Soviet Union and Eastern Europe, the issue of corruption became increasingly hard to ignore.

Another important external contextual factor was the intellectual landscape of development thinking at the time, in which new institutional economics and political economy had gained a more prominent stance. In the 1990s, after the first generation of Washington Consensus macroeconomic reforms failed to deliver on its promises, especially in Africa and Latin America (Easterly, 2001, ch. 6), the "institutional quality" paradigm gained traction. This defended the argument that the institutional environment is a key predictor for development outcomes. Douglass North, who laid the foundation for directing analysis of development toward institutions (North, 1990), was particularly influential not only because he won the Nobel Memorial Prize in Economic Sciences in 1993, but also because he visited the Bank frequently during that time. Building on North, who defined institutions as "humanly devised constraints that structure political, economic and social interaction" (North, 1991, p. 97) a number of cross-country regressions were conducted that linked measures of institutions with economic growth. For example, Barro (1994) investigated the linkages between democratic institutions and growth and Knack & Keefer (1995) examined the relationship between property rights and growth. Gradually the taboo of researching corruption as a topic in its own right faded away and numerous studies appeared that explicitly addressed the issue of corruption and concluded that societies incur high economic and social costs as a result of corruption (Mungiu-Pippidi & Hartmann, 2019, p. 11). In the first cross-country regression analysis that related measures of corruption to growth, Mauro (1995) found that corruption significantly lowers investment, thereby reducing economic growth. This paper by Mauro, who worked as an economist at the Bank's sister institution IMF at the time, was reported to have gained traction in donor circles.[6] Increased academic attention to the topic of corruption has thus likely contributed to the rise of the anti-corruption agenda at the Bank, at the very least by providing its proponents with empirical findings to cite from about the detrimental consequences of corruption.

Aside from academia, other bilateral and multilateral organizations as well as NGOs began to explicitly address corruption, thereby also paving the way for the Bank to eventually move into that space. In 1993, ex-World Banker Peter Eigen, together with nine allies, created the international NGO Transparency International (TI), which soon became extraordinarily successful in raising awareness about the harmful consequences of corruption all around the globe. Aid agencies less bound by restrictive mandates than the Bank funded activities that had the openly-stated objective of fostering rule of law, human rights, and democracy (Weaver, 2007, p. 504). For example, the European Bank for Reconstruction and Development (EBRD) has enshrined the commitment to a multiparty democracy in its founding charter, binding it to only lend to democracies (EBRD, 2013). Other agencies were often able to address the politically sensitive issue of corruption more easily due to their laxer mandates, more permissive legal counsels, and different shareholder structures. Overall, the increased attention that the broader development community placed on the issue of corruption most likely also prompted the Bank to re-examine its positioning vis-à-vis this topic.

2.2. Internal Developments, pre-1996

The trajectory of anti-corruption at the Bank relates closely to the internal evolution of thinking around the role of the state and the concept of governance.[7] In the years following its founding in 1944, the Bank held a view of the state as a planner which was envisioned to play a proactive role in a country's development process. This view related to the prevailing belief at the time that the Great Depression in the 1930s was proof of the failure of the neoclassical model of economics based on the free market (Haberler, 1987, p. 53). Despite a neoclassical resurgence in the major areas of development economics from the mid-1960s, the state continued to play a central role in the Bank's approach to development up until the late 1970s, when a debt crisis hit many developing countries. The crisis prompted a change in the Bank's perception of the state from being part of the solution to being part of the problem. What followed in the 1980s was a decade of reforms inspired by the assumption that a small state would foster economic growth. The sobering results of these reforms, particularly in Latin America and Africa, led to a reconsideration of the role of

[6] Author's interview with Philip Keefer, May 2019.

[7] See Marquette (2002) for a more detailed account of the historical trajectory of the prevailing beliefs concerning the role of the state at the World Bank.

the state. Reviewing the lessons of a half-century's thinking of the state's role in development, the World Development Report 1997: The State in a Changing World (WDR 1997) affirmed that both state-dominated and stateless development have failed and proposed a more nuanced redefinition of the role of the state that focused on state effectiveness (World Bank, 1997b, p. 25). It is against the backdrop of this redefined role of the state as primarily a facilitator of administrative capacity that the explicit anti-corruption agenda emerged in 1996.

The shifting orthodoxies with regards to the role of the state had important implications for the evolution of the Bank's governance agenda, which in turn has shaped the Bank's engagement on anti-corruption. A small internal movement surrounding the issue of governance emerged in the late 1970s. This consisted mostly of operational staff working on projects in the Africa region who attributed many reform failures to the Bank's inability to adequately address institutional and political barriers (Weaver, 2008, p. 101). Despite having very limited resources available, the group established the Public Sector Management Symposium, an annual meeting which became a gathering place for staff interested in expanding the Bank's public sector management activities throughout the 1980s (Miller-Adams, 1999, p. 110). The group, and in particular Pierre Landell-Mills as lead author, contributed to the World Development Report 1983: World Economic Recession and Prospects for Recovery (WDR 1982) in which the "quality of government" first appeared as a central developmental issue for the Bank (World Bank, 1983). However, the WDR 1982 had little impact on the Bank's developmental discourse nor on its operational work, not least because of the intellectual opposition by a neoclassical economist majority at the time (World Bank, 2001b, p. 19). If pursued at all, institutional development was primarily intended to facilitate the implementation of policy reforms supported by adjustment lending such as the downsizing of the civil service, the reduction of public expenditures, and decentralization. This was opposed by a minority of operational staff who argued that public sector reform was not going to succeed when relying only on quick technocratic fixes without considering the deeper political dimension (Weaver, 2010, p. 54). This deeper political dimension came to be called "governance", but it remained a marginalized concept in Bank discourse until the late 1980s when frequent failures of macroeconomic adjustment programs led to a shift of focus towards institutional development. In 1989, for the first time an official Bank publication explicitly mentioned "governance", which it defined broadly as "the exercise of political power to manage a nation's affairs" (World Bank, 1989, p. 60). The report, which denounced a crisis of governance in many borrowing countries, was criticized by the Bank's General Counsel but also by senior managers and board members for having adopted a language that was considered too political (Weaver, 2008, pp. 103–104). Consequently, a Bank-wide task force was set up to clarify what type of work the Bank could pursue in the area of governance without violating its non-political mandate set out in the original articles of agreement. The task force issued a discussion paper to the Board which identified areas for possible engagement beyond public sector management (World Bank, 1991). In retrospect, the head of the task-force remarks that while the paper cleared the way for the Bank to pursue work on governance, it was not until Wolfensohn assumed the presidency in 1995 that the Bank seriously began thinking about working on issues of governance (Lateef, 2016, p. i).

These discussions surrounding the Bank's stance on governance issues also contributed to it eventually lifting the taboo on explicitly addressing corruption. Yet, up until the early 1990s, senior management actively discouraged staff from addressing corruption explicitly. For example, in 1990, the Bank's legal department prohibited Peter Eigen, a regional director at the time, from organizing a conference on the issue of corruption, as it was seen to be outside the Bank's mandate. A year later, when Eigen formed a working group on corruption that would meet informally during leisure time, he received another memorandum signed by then-President Conable asking him to stop all activities related to the issue of corruption, as it would reflect badly on the Bank.[8]

[8] Author's interview with Peter Eigen, August 2019.

A central actor in the Bank's positioning vis-à-vis the issue of corruption was Legal Counsel, Ibrahim Shihata, who at first openly opposed the Bank's engagement in the governance arena as he regarded it an interference into the political affairs of countries and therefore a violation of the Bank's original articles of agreement. Giving in to internal and external pressures, Shihata issued a legal opinion that would allow the Bank to enter the arena of governance reform while maintaining its self-conception as an apolitical technocracy. In this legal opinion Shihata distinguishes between political and economic considerations, defining the former as "belonging to or taking a side in politics or in connection with the party system of government" and the latter more generally as "the efficient management of the country's resources" (Shihata, 2000, p. 261). This provided the legal basis for the Bank to engage in governance reform when motivated solely by economic considerations. Reflecting back on this period, Shihata would later state that "the Bank has tried under the cloak of governance to de-politicize many elements of the political system such as civil service reform, judicial reform, fiscal discipline, legal reform, and fighting corruption"[9].

Establishing the political/economic dichotomy thus allowed the Bank to expand its field of intervention to areas that were previously deemed too political. Only when placed into this newly expanded economized sphere could 'corruption' be relieved of its taboo status and recognized as an operational concept by the Bank (Polzer, 2001, p. 11). Despite the warning of earlier writings (e.g., World Bank, 1989) not to neglect the deeper political dimension, the Bank publicly did just that as it crafted its emerging governance agenda (Weaver, 2008, p. 125). It is in the context of a governance agenda primarily focused on improving administrative capacity that the explicit work on anti-corruption emerged in the mid-1990s. The prevailing view that the role of the state was to promote institutional capacity, which became the declared objective of most governance reforms at the time, shaped the conceptual understanding of corruption as primarily a matter of public administration. Viewing corruption predominantly as a matter of public administration, rather than a judicial matter or a matter of power and politics, would remain the prevailing perspective shaping the Bank's anti-corruption programming in the two decades that followed.

3. INVENTORY OF WORLD BANK ANTI-CORRUPTION ACTIVITIES, 1996-2016

James Wolfensohn's appointment as president of the World Bank in 1995 ushered in a new phase regarding the Bank's engagement in the governance and anti-corruption sphere. In 1996, Wolfensohn delivered a widely-cited speech at the Bank's annual meetings in which he denounced "the cancer of corruption" and proclaimed governance and anti-corruption issues of priority for the Bank. Wolfensohn's explicit addressing of corruption broke an "intellectual dam" and shortly thereafter "the Bank's research machine was gushing with new literature acknowledging the link between corruption and development" (Mallaby, 2006, p. 176). 1996 constitutes the turning point in the Bank's anti-corruption discourse after which new analytical and operational activities with an explicit emphasis on anti-corruption emerged. Therefore, 1996 constitutes the first year of observation in the World Bank's anti-corruption activities inventory.

3.1. An Inventory of Anti-Corruption Activities[10]

This section offers a brief account of the methodological steps taken to compile such an inventory and a visualization and description of the database resulted. Retrospectively compiling an inventory

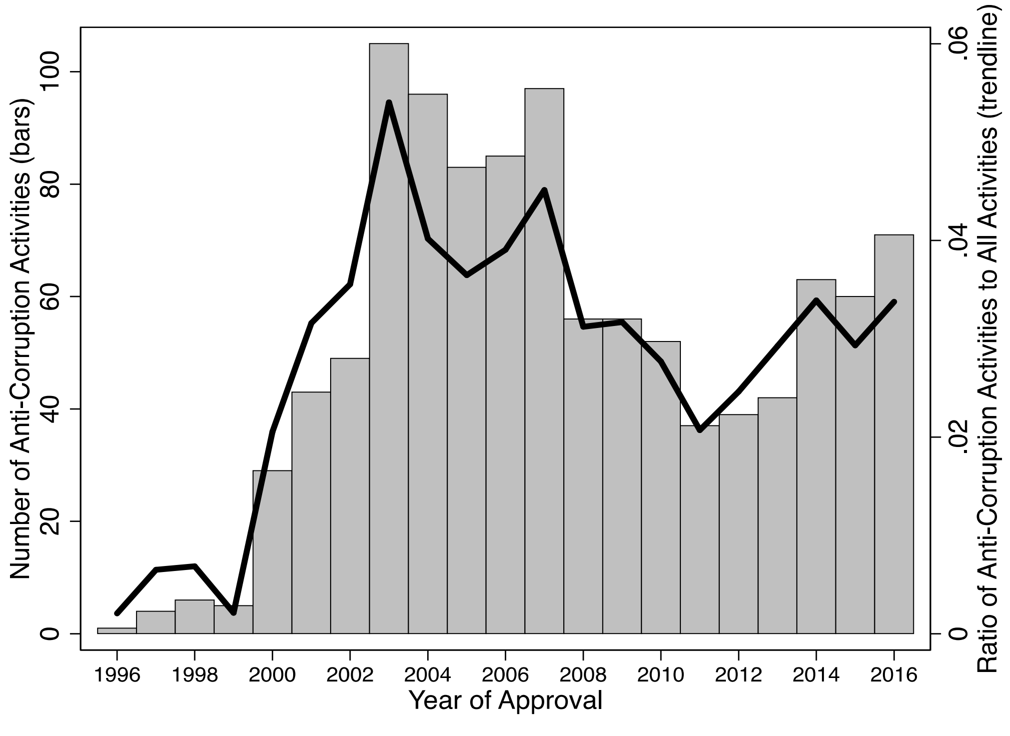
[9] Interview with Ibrahim Shihata, May 2000.

[10] The author is grateful to Bank staff Joel Turkewitz, Alexandra Habershon, and Susana Cordeiro Guerra for fruitful discussions on how to create the inventory and the permission to make use of the inventory data for academic purposes.

that contains all Bank activities which deliberately confront corruption has encountered three main challenges. First, no thematic tag or code for "anti-corruption" has been used consistently, making it difficult to identify anti-corruption activities as such.[11] Second, keyword searches for "corruption" yield incomplete results because of the occasional avoidance of the C-word in project documents due to its politically sensitive nature. Third, the Bank's IT infrastructure and file management system changed significantly over the two decades resulting in challenges in capturing the information of interest throughout the whole timespan. Those challenges were addressed by creating a list of semantic proxies for corruption and using them as identifiers in multiple search queries using different data search engines. A description of the methodological steps involved in the creation of the World Bank anti-corruption activities inventory is provided below and a more detailed account can be found in the annex.

The objective of the inventory is to capture all Bank activities with a deliberate emphasis on anti-corruption between 1996 and 2016. Due to the lack of a consistently used thematic tag for anti-corruption activities and the use of euphemisms for corruption in Bank documents, the first step consisted in creating a list of semantic proxies for corruption. Selected project documents were screened systematically for such euphemisms and a list of 32 terms[12] created that are directly related to corruption. Those terms were then used as activity identifiers in a query searching the universe of all 116,955 Bank activities between 1996 and 2016. The query yielded 4,879 unique activities that had the word corruption or a semantic proxy mentioned in its meta-data. The list of 4,879 was filtered further for the 1,035 activities that had corruption or a semantic proxy mentioned in a prominent place (i.e., in title, development objective, components, abstract, indicators, or thematic tag). 44 Stolen Asset Recovery Initiative (StAR) activities were added to the dataset resulting in a total of 1,079 World Bank activities that deliberately confronted corruption between 1996 and 2016.

Figure 2. Newly Approved Anti-Corruption Activities per Year, 1996-2016



Legend: Vertical bars (left): Absolute number of anti-corruption activities per year; Trendline (right) Ratio of anti-corruption activities (1,079) to all activities (61,768) per year.
Source: World Bank Anti-Corruption Activities Inventory

[11] A thematic tag "other accountability/anti-corruption" existed but was applied inconsistently and eventually abandoned in 2016.
[12] Annex I details a research log including the list of terms and details on each step involved in creating the inventory.

Between 1996 and 2016, the Bank approved 1,079 anti-corruption activities which accounts for about 1.75 percent of the total number of activities (61,768) approved during the same period. The number of newly approved anti-corruption activities peaked in the years 2003–2007, when between 83 (2005) and 105 (2003) new activities were approved annually. This peak in terms of the absolute number of anti-corruption activities also holds in relative terms when compared to the total number of activities approved during those years (see *Figure 2*).

The vast majority (87%) of the 1,079 anti-corruption activities approved between 1996 and 2016 fall into the non-lending category and only 13% are lending operations (see *Figure 3*). The non-lending activities consist primarily of Technical Assistance (33%), Trainings (31%), and Analytical Work (22%) (see *Figure 4*).

Figure 3. Breakdown by Lending Category, 1996-2016

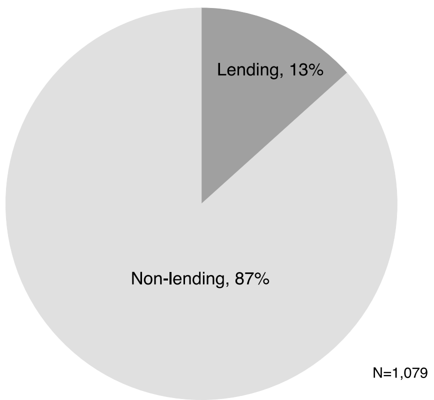
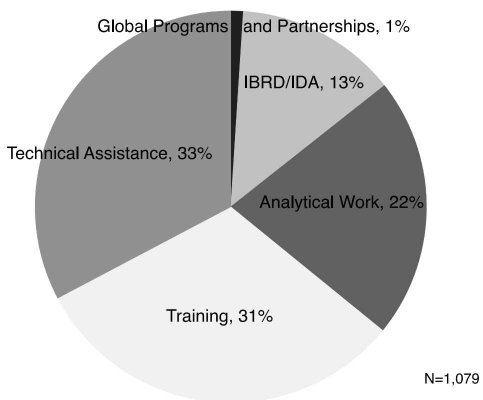


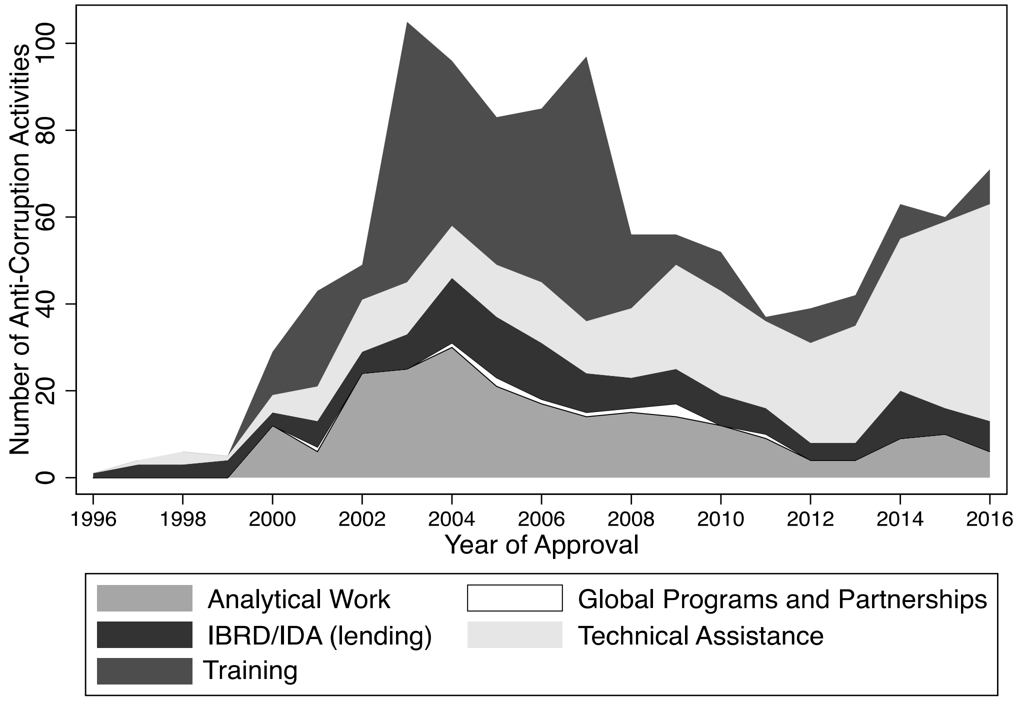
Figure 4. Breakdown by Type, 1996-2016



Source: World Bank Anti-Corruption Activities Inventory

Considering the breakdown of anti-corruption activities by type over time, it becomes apparent that the peak in the number of activities between 2003 and 2007 was primarily driven by Trainings and Analytical Work. Furthermore, the trend chart suggests that Technical Assistance substituted Trainings after 2008. The number of lending operations (IBRD/IDA), on the other hand, has remained relatively stable over time (see *Figure 5*).

Figure 5. Trend of Anti-Corruption Activities by Type, 1996-2016

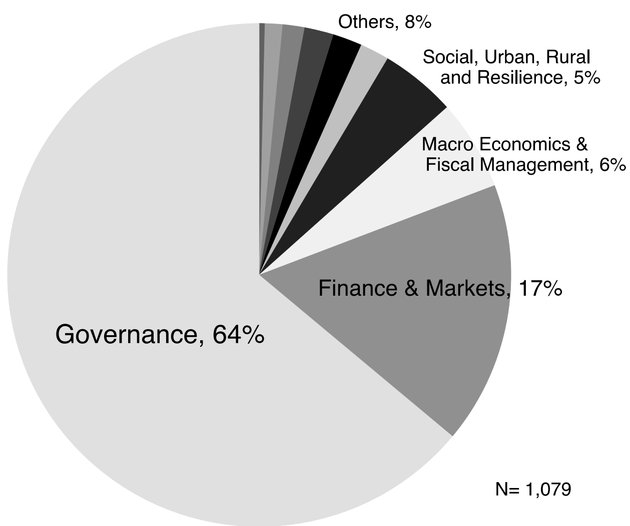


Note: N = 1,079

Source: World Bank Anti-Corruption Activities Inventory

Most anti-corruption activities were led by the Governance Global Practice (64%), followed by the Finance and Markets Practice (17%) and the Macroeconomics and Fiscal Management Practice (6%) (see *Figure 6*). This emphasis on strengthening institutions rather than markets could be an indication of the Bank's approach and priorities.

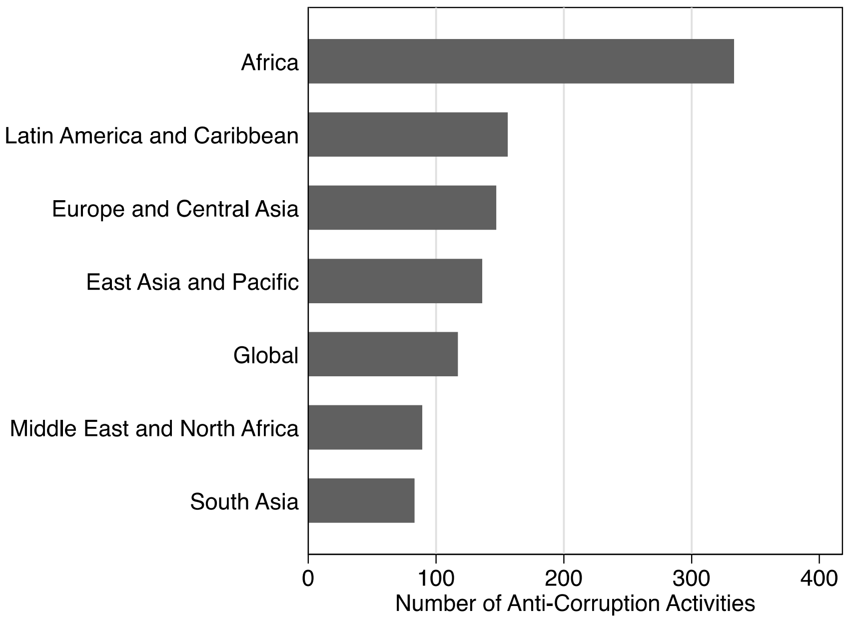
Figure 6. Breakdown of Anti-Corruption Activities by Global Practice, 1996-2016



Source: World Bank Anti-Corruption Activities Inventory

Most activities were implemented in the Africa region, followed by Latin America and the Caribbean, Europe and Central Asia, and East Asia and Pacific (see *Figure 7*).

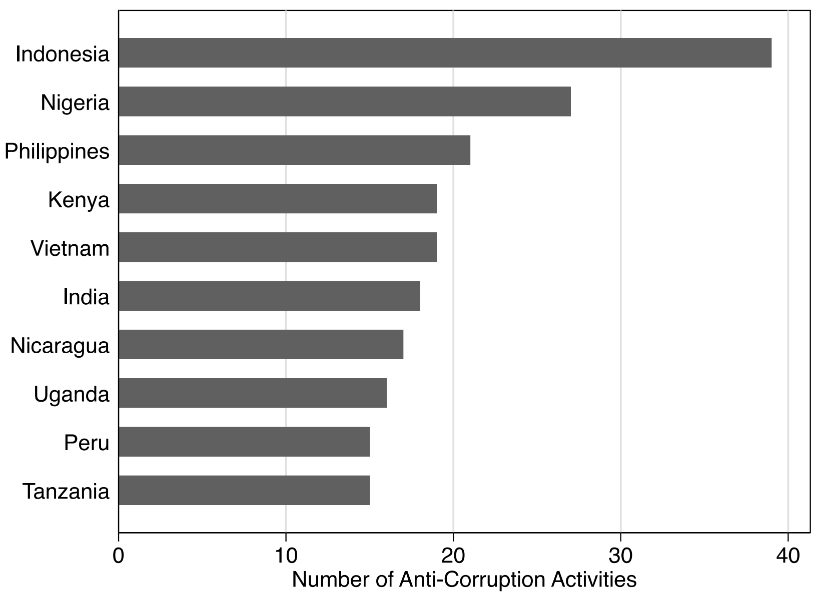
Figure 7. Number of Anti-Corruption Activities by Region, 1996-2016



Source: World Bank Anti-Corruption Activities Inventory

Indonesia is the country with the highest number (39) of anti-corruption activities implemented by the Bank between 1996 and 2016. It is followed by Nigeria (27), the Philippines (21), and Kenya (19) (see *Figure 8*). Out of the 125 countries in which the Bank engaged operationally between 1996 and 2016, 118 (94%) had at least one activity with an explicit anti-corruption focus.

Figure 8. Countries with most Anti-Corruption Activities, 1996-2016



Source: World Bank Anti-Corruption Activities Inventory

The inventory dataset does not contain information about the performance or impact of the anti-corruption activities. An intuitive way of assessing the impact of the Bank's anti-corruption activities would be to correlate them with country-level measurements of corruption over time. However, as it has been pointed out by various scholars before, the most common corruption measurements, namely, Transparency International's Corruption Perception Index and the Bank's Control of Corruption indicator, have shown to be insensitive to change and are therefore not fit for use in panel data analysis. These indices are subject to substantial margins of error which indicate that small changes may well be neither statistically nor practically significant. Kaufmann and Kraay, the creators of the World Governance Indicators (WGIs), openly point to the fact that almost half of the variation in the Control of Corruption indicator over a four-year-period resulted simply from changes in weights and the addition of new sources (Kraay, Zoido-Lobaton, & Kaufmann, 2002, p. 28). Besides these limitations, correlating country-level aggregate measures of corruption with the number of the Bank's anti-corruption activities in a country would not be indicative of impact due to the generally limited size and scope of these activities.

A feasible approximation of impact is by crossing the World Bank's anti-corruption activity dataset with the Project Performance Ratings Dataset compiled by the Bank's internal evaluation unit—the Independent Evaluation Group (IEG). This dataset contains more than 11,300 project assessments carried out by IEG spanning the years 1964-2014. IEG assesses the extent to which a project's major relevant objectives were achieved, or are expected to be achieved, efficiently. The overall project outcome rating is a composite rating based on three criteria: the relevance of the project's objective and design; achievement of the objectives (efficacy); and efficiency. The IEG dataset contains assessments of 90 of the 144 lending operations included in the anti-corruption activities dataset. Comparing these assessments with all assessments shows that anti-corruption projects perform slightly worse than other projects. While 75% of all other projects are rated some variation of satisfactory and 25% some variation of unsatisfactory, 70% of anti-corruption projects are rated satisfactory and 30% unsatisfactory (see *Figure 9*). This difference might be due to the fact that anti-corruption activities tend to occur more frequently in low-income settings (see *Figure 11* in section *4.1 External Factors*), thus facing greater implementation challenges than other types of projects.

These numbers should be interpreted with caution, however, since IEG faces the same known challenges in assessing the impact of anti-corruption interventions. Due to the difficulty of measuring outcomes, the results matrixes of anti-corruption projects often contain *de jure* measures as output indicators that, even if fulfilled, might not be indicative of the project's impact on the quality of governance in the respective country. Examples for such output indicators include "two anti-corruption structures established and operational" or "at least 80 percent of all measures included in the anti-corruption action plan are implemented"[13]. Anti-corruption projects are predominantly rated 'moderately satisfactory', but evaluation reports often include generic disclaimers about the limitations in conducting rigorous cost-benefit assessments due to the nature of the projects.[14] Due to this lack of variance and rigor in outcome ratings, the assessment data is of limited use for further research, for example on the enabling conditions for successful anti-corruption projects.

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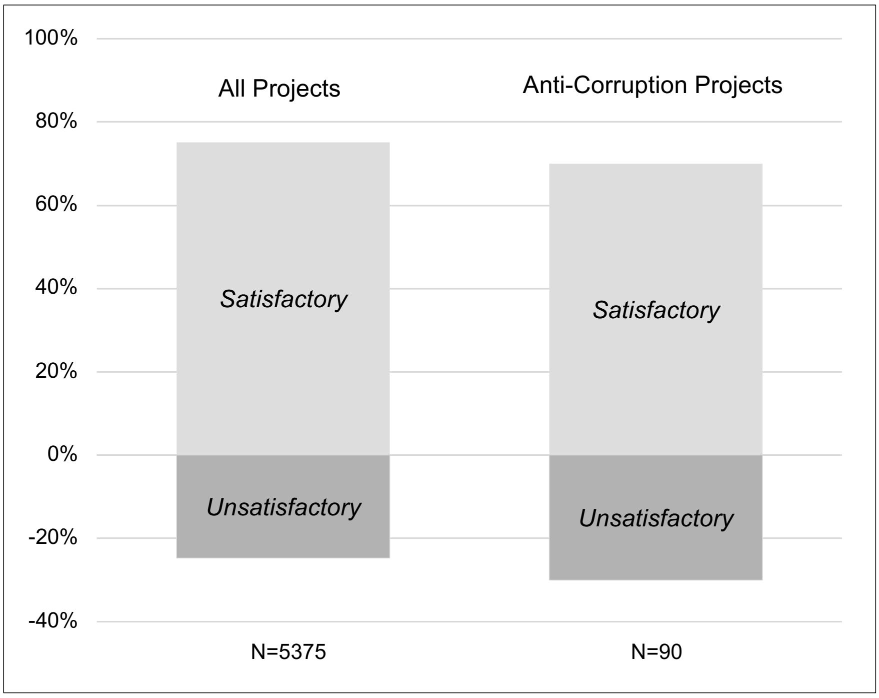
[13] Indicator examples stem from *Transparency and Governance Capacity Building Project (P073507)* implemented in the Republic of Congo between 2002 and 2010.

[14] Example for such a disclaimer: "although economic rates of return are difficult to compute in public sector reform projects, efficiency gains are likely to have occurred in the areas targeted by the project components" (World Bank, 2015, p. 41).

Figure 9. Project Outcome Ratings



Source: IEG World Bank Project Performance Ratings Dataset[15]

4. EXPLAINING ANTI-CORRUPTION ACTIVITY

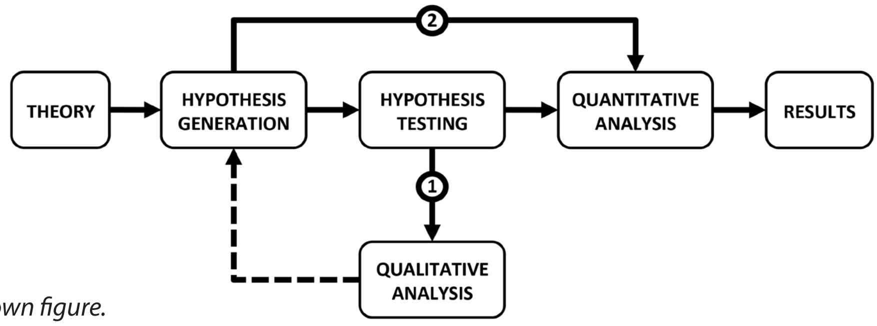
To gain a better understanding of the driving and limiting factors of the Bank's anti-corruption programming, this section examines factors internal and external to the Bank using both inferential statistics on panel data and insights from semi-structured interviews conducted with a sample of current and retired World Bank staff. More methodological details are provided in the sub-sections.

4.1. External Factors

Having compiled the anti-corruption activities inventory allows for the testing of hypotheses about specific country-level factors potentially influencing the allocation of World Bank anti-corruption activities. Correlations between allocation decisions and specific country characteristics could also be indicative of strategic considerations with regards to the allocation of anti-corruption activities. External factors have been examined adopting an iterative mixed-methods research approach comprising sequential qualitative and quantitative analysis (see *Figure 10*). First, hypotheses have been generated from existing literature with similar research objectives and then tested qualitatively in semi-structured interviews using a purposive sample of current and retired World Bank staff. Second, the initially generated hypotheses plus additional hypotheses that emerged from expert interviews have been tested quantitatively by applying multiple regression analysis.

[15] The dataset containing project performance ratings is available for download here: https://finances.worldbank.org/Other/IEG-World-Bank-Project-Performance-Ratings/rq9d-pctf (accessed Dec 18, 2019).

Figure 10. Iterative Mixed-Method Approach



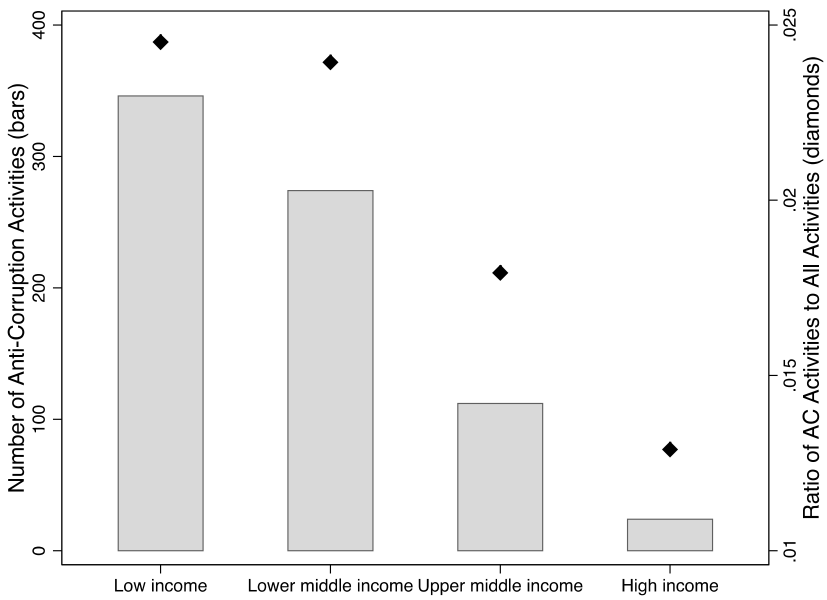
Source: Author's own figure.

It may be concluded from screening Bank publications for driving and limiting factors of the Bank's anti-corruption programming that a country's income group status matters for the allocation of anti-corruption activities. The Bank's World Development Report 2017 on Governance and the Law implicitly argues that, from an economic growth perspective, fighting corruption is of higher priority in upper-middle-income countries than in low-income countries. At low income levels, the reports argues, corruption may actually be the "glue" necessary to ensure coordination among state and business actors (World Bank, 2017, p. 160). This argument was already put forward by the so-called revisionists in the 1960s who rejected the condemnation of corruption on moralistic grounds and pointed to its positive effects particularly in contexts of conflict and fragility. Sharing the belief that corruption is a natural feature of the development process, revisionists link the occurrence of corruption to positive changes in various outcomes including economic development (Leff, 1964; Leys, 1965; Nye, 1967), state-building (McMullan, 1961), and political development (Huntington, 1968; Scott, 1969).

However, unlike revisionists, who felt no need to become proactive about corruption as it was believed to wither away by itself as countries develop, the Bank's recent report identifies corruption as a main challenge when countries reach middle-income status. The report argues that corruption, which helped prevent conflict and eased the relations between the public and private sector in low-income settings, would increasingly become an obstacle to growth when countries reach middle-income status, as it would undermine competition and the creation of new growth coalitions. In other words, when markets expand and supply networks become more complex corrupt networks can no longer serve as substitute for impersonal, rules-based contract enforcement (Dixon 2004, as cited in World Bank, 2017, p. 160). The report backs this theorized mechanism with empirical data showing that high-middle-income countries that successfully reached the subsequent income level during the sample period (1950–2011) lowered their levels of corruption significantly before becoming high-income countries (World Bank, 2017, p.161). This explicit income-based priority differentiation for anti-corruption work leads to the question of whether the Bank's decision to allocate an anti-corruption activity to a country is influenced by its income-status.

Disaggregating the data by income group status does not reveal a pattern in the allocation of anti-corruption activities that would suggest upper-middle-income countries are prioritized (see *Figure 11*). This is the case in both absolute and relative terms, when compared to the overall number of activities carried out in the same income group. The allocation of anti-corruption activities follows the Bank's overall allocation pattern, which is to prioritize low-income countries. A possible explanation given in interviews is that corruption is still viewed by many Bank staff as primarily a fiduciary risk that can be mitigated by ringfencing Bank operations. Since operations in low-income settings tend to require more ringfencing, for example through anti-corruption trainings for the staff of local project implementation units, this could lead to more anti-corruption activities being observed in low-income countries. Overall, the empirical picture corroborates a statement made by the Bank's former focal point for corruption, who remarked that the Bank does not regard anti-corruption as a luxury good and that it addresses corruption at all levels of development.[16]

Figure 11. Anti-Corruption Activities by Income Group, 1996-2016



Note: (i) 756 Anti-Corruption Activities / 33,673 All Activities[17]
(ii) Income groups as per World Bank classifications; Countries have been assigned the income group to which they have been most frequently pertained to over the 1996-2016 period.
Source: World Bank Anti-Corruption Activities Dataset; World Bank Income-Group Classifications Dataset[18]

External research and interviews suggest that the following factors could predict the Bank's decision to conduct anti-corruption activities in a country and are therefore included in below analysis.

Corruption control. If the Bank was to allocate anti-corruption activities on an anti-corruption needs-basis, a country's level of corruption would be positively associated with the number of anti-corruption activities allocated to it. To test the predictive capacity of a country's level of corruption over the number of anti-corruption activities allocated, the analysis uses the Bank's own Control of Corruption (CoC) indicator of the World Governance Indictors (WGIs)[19]. The CoC indicator measures "perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as capture of the state by elites and private interests" (Kaufmann, Kraay, & Mastruzzi, 2010, p. 4). The WGI dataset covers more than 200 countries over the period 1996–2018, and the CoC indicator is among the most commonly used in empirical corruption research (Treisman, 2007, p. 213). The WGI CoC indicator ranges from about -2.5 (lowest corruption control) to 2.5 (highest corruption control).

Freedom of the press. Previous research found that press freedom has a positive impact on effective control of corruption (Brunetti & Weder, 2003; Kalenborn & Lessmann, 2013). Based on years of

[16] Author's interview with Joel Turkewitz, May 2019.
[17] Number of observations is smaller than in previous graphs because regional activities have been excluded. The exclusion is due to the fact that regional activities are conducted in multiple countries which belong to different income groups.
[18] The dataset containing historical classifications of countries by income group is available for download here: http://databank.worldbank.org/data/download/site-content/OGHIST.xls (accessed Dec 18, 2019).
[19] Dataset available here: https://info.worldbank.org/governance/wgi/ (accessed on Dec 10, 2019).

theoretical and empirical research on the control of corruption, Mungiu-Pippidi & Dadašov (2016) identified freedom of the press as a key element to consider when designing evidence-based anti-corruption strategies. Chowdhury (2004) finds a significant impact of press freedom and democracy on corruption, hypothesizing the following underlying causal mechanism: "The presence of press freedom brings public corruption cases to the voters while voters in a democracy in turn punish corrupt politicians by ousting them from public offices. Hence, elected politicians react to the voters by reducing corruption" (pp. 93–94). Accordingly, higher press freedom would increase incentives for governments to engage in anti-corruption and request assistance for anti-corruption reforms from the World Bank. Therefore, a positive association between press freedom and the number of anti-corruption activities is expected. This association is tested using Freedom House data[20] covering 199 countries and territories between 1973 and 2018. The freedom of the press indicator ranges from 0 (most free) to 100 (least free).

IMF conditionality. The International Monetary Fund (IMF) holds an influential position among international organizations promoting anti-corruption reforms. As a lender of last resort, the IMF provides financial assistance to countries experiencing economic distress in order to prevent or mitigate economic crises. The IMF attaches policy conditions—so-called "conditionalities"—to its loans aimed at adjusting borrowing government's economic policies to overcome the problems that led them to seek financial aid. While these conditionalities' primary objective is to foster economic growth, a secondary objective is to promote "good governance" and, more narrowly, to eliminate opportunities for corruption (Tanzi, 1998; Abed, Gupta, & Stafaf, 2002). Given the complementarity between the two Bretton Woods institutions, with the IMF focusing on macroeconomic issues and the Bank concentrating on long-term economic development and poverty reduction, a country's IMF program participation could be positively associated with the number of World Bank anti-corruption activities allocated to it. The relationship is tested using World Bank International Debt Statistics data[21] containing IMF lending data spanning the period 1999–2018. This variable is operationalized as the volume of IMF credit and loans in current U.S. dollars.

Aid dependency. A considerable body of research has studied the potential influence of development aid on corruption. Although the literature reached no clear consensus on the relationship between aid to corruption, a number of widely-cited studies has shown that aid increases corruption (Svensson, 2000; Alesina & Weder, 2002). Among the studies reaching this conclusion is also an empirical cross-country analysis by Knack (2001) who was an influential researcher at the Bank between 1999 and 2019. It therefore seems safe to assume that the Bank was aware of the potential negative externalities of aid. This awareness might have prompted the Bank to allocate more anti-corruption activities in contexts of higher aid dependency. Accordingly, a positive association between aid levels and the number of anti-corruption activities is expected. Testing this relationship is of further interest because it can contribute to answering the question of whether the Bank's engagement on anti-corruption is primarily driven by the Bank or by recipient governments. The majority of interviewees stated that the Bank's anti-corruption agenda has been largely supply-driven—i.e., that the impetus for doing anti-corruption work came from the Bank rather than from recipient governments. A positive association between aid dependency and the number of anti-corruption activities would thus provide empirical support for the hypothesis that the Bank's anti-corruption work is mainly supply-driven. Aid dependency data is retrieved from OECD International Development Statistics (IDS) online databases containing Official Development Assistance (ODA) data[22] for about 150 developing countries over the period 1960–2018. Aid dependency is operationalized as net ODA received in U.S.

[20] Dataset available here: https://freedomhouse.org/report-types/freedom-press (accessed Dec 10, 2019).
[21] Dataset available here: https://data.worldbank.org/indicator/DT.DOD.DIMF.CD (accessed Dec 10, 2019).
[22] Dataset available here: http://www.oecd.org/development/financing-sustainable-development/development-finance-data/ (accessed Dec 10, 2019).

dollars as percentage of a country's gross national income (GNI).

Regime durability. A study investigating the impact of IMF conditionality on corruption control included regime durability as a control variable to account for deep legacies in political systems (Reinsberg et al., 2019). Similarly, the present paper investigates regime durability to account for deep legacies in Bank-recipient government relationships potentially affecting the allocation of anti-corruption activities. Interviewees provided accounts of internal resistance to doing anti-corruption in certain countries due to concerns about disrupting long-lasting relationships. Examples of such long-lasting relationships where the Bank maintained a large degree of loan exposure while avoiding the explicit addressing of corruption include Suharto's Indonesia until 1998, Mubarak's Egypt until 2011, and, for the most part, Ben Ali's Tunisia until 2011. Therefore, a negative association with regime durability and the number of anti-corruption activities allocated is expected. Further support for this hypothesized association stems from the fact that newly elected governments often campaigned on an anti-corruption platform and are more likely to implement anti-corruption reforms after assuming office to show that they are delivering on their promises. Data on regime durability stems from the Database of Political Institutions[23] hosted at the Inter-American Development Bank (IDB) covering about 180 countries over the 1975–2017 period. Drawing on this database, the independent variable 'regime durability' is constructed, measuring the number of regime changes in a country over the twenty-year period.

In addition, human development index (HDI)[24] is included in the model—a variable that is frequently included as a covariate in similar research.

4.1.1. Method

The main interest of the following analysis is to examine the role of country specific variables in the allocation of anti-corruption activities. The aforementioned hypotheses are tested using a compiled data set for up to 135 countries over the 1996–2016 period. Due to limitations of the data set (e.g., lack of information on the duration of anti-corruption activities) the panel nature of the data set is not being exploited. Instead, a cross sectional regression analysis, based on averages across countries, is conducted. Bivariate correlations between all independent variables are calculated, including the dependent variable—the ratio of 'anti-corruption activities' to 'all activities' whose value, by definition, ranges from 0 to 1.

4.1.2. Results

Correlations. Pairwise correlations are calculated for all variables of interest: anti-corruption activities, corruption control, press freedom, IMF conditionality, aid dependency, regime durability, and HDI. Table 1 shows correlations for all variables. Overall, small to large correlations were found, ranging between $r = 0.22$, $p < 0.05$ and $r = 0.77$, $p < 0.01$. The only independent variable significantly correlated with the outcome variable was corruption control ($r = 0.27$, $p < 0.01$).

[23] Dataset available here: https://publications.iadb.org/en/database-political-institutions-2017-dpi2017 (accessed Dec 10, 2019).
[24] Dataset available here: http://hdr.undp.org/en/indicators/137506 (accessed Dec 10, 2019).

Table 1: Correlations of Anti-Corruption Activities with Context Factors

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) Anti-corruption activities	1.000						
(2) Corruption control	-0.269**	1.000					
(3) Press freedom	-0.136	-0.633**	1.000				
(4) IMF conditionality	-0.055	0.014	0.015	1.000			
(5) Aid dependency	0.007	-0.223*	0.090	-0.313**	1.000		
(6) Regime durability	0.081	0.114	-0.376**	0.075	0.043	1.000	
(7) HDI	-0.120	0.485**	-0.329**	0.337**	-0.601**	0.096	1.000

*Note: Pairwise Correlations; Number of observations (countries)=135; ** p<0.01, * p<0.05*

Bivariate regressions also confirm that only corruption control is significantly associated with the degree of World Bank anti-corruption activity in a country (see *Table 2*). The results thus confirm the intuitive hypothesis that the Bank is more likely to engage in anti-corruption in contexts of low control of corruption, but not in relation with a country's development (proxied by the Human Development Index), aid or IMF conditionality. This finding suggests that organizational factors internal to the Bank may play a major role in explaining the allocation of anti-corruption activities. For this reason, the following section focuses on the role of internal factors impacting the Bank's engagement on anti-corruption.

Table 2: Bivariate Regression Results Summary

Independent Variables	Anti-corruption activities					
	Estimate	*(SE)*	*β*	*P*	ΔR^2	*N*
Corruption control	-0.007**	(0.002)	-0.269	0.002	0.065	132
Press freedom	0.000	(0.000)	-0.135	0.130	0.010	126
IMF conditionality	-4.586e-13	(0.000)	-0.055	0.572	0.006	108
Aid dependency	1.586e-5	(0.000)	0.007	0.934	-0.008	128
Regime durability	0.001	(0.001)	0.081	0.355	-0.001	134
HDI	-0.014	(0.010)	-0.120	0.169	0.007	133

*Note: Bivariate regressions; Estimate=unstandardized estimate; SE=standard error; β=standardized beta; P=p-value; ΔR^2=adjusted r^2; N=number of observations (countries); ** p<0.01*

4.2. Internal Factors

The findings of the previous section suggest that honing in on organizational level factors will likely contribute to a better understanding of the driving and limiting factors of the Bank's anti-corruption programming. In the context of this analysis, internal factors are defined as internal influences on the Bank's policies and practices, including those originating from the operational, managerial, and executive levels. Hence, actions of member countries' representatives within the board of governors and board of directors—the Bank's highest executive bodies—are also considered internal factors.

The analysis of the influence of internal factors on the Bank's anti-corruption programming consists of the following steps. First, potentially relevant internal factors are distilled from the scholarly field of International Organization (IO). Second, the relevance of those factors is assessed through expert interviews, applying a semi-structured protocol to allow for additional explanatory factors to surface and be discussed. Third, three agendas operating under the anti-corruption label are distinguished and the most influential internal factors identified for each. The subsequent qualitative analysis draws upon three types of sources: academic publications on IOs in general and the World Bank in particular, original World Bank documents, and eighteen interviews with current and former Word Bank employees with experience in the governance and anti-corruption field.[25]

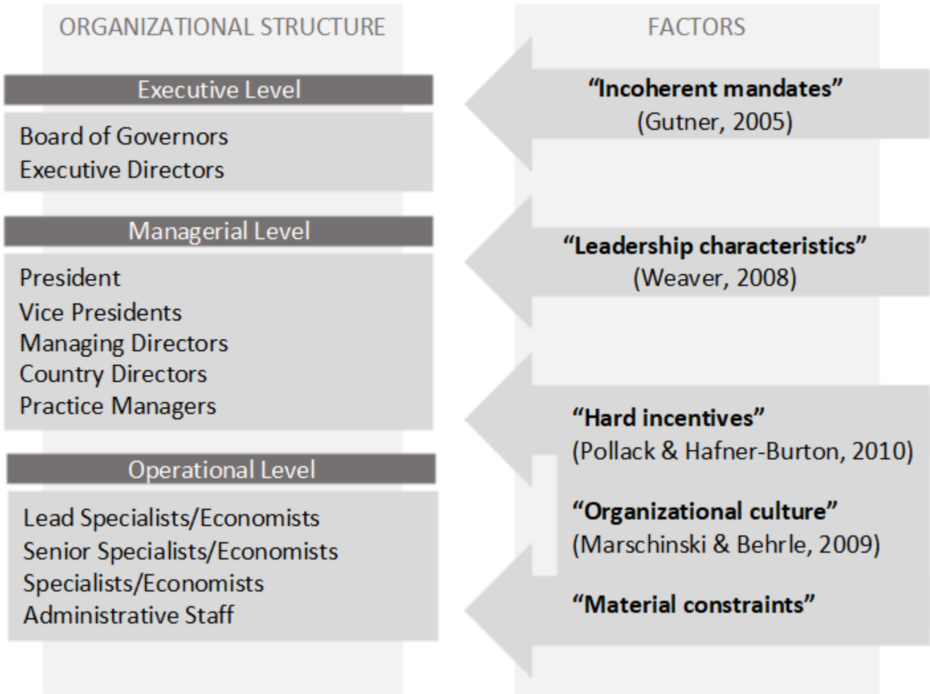
The relevance of internal factors for explaining the behavior of international organizations has been alluded to by a number of IO theorists on whose work this analysis draws. As a subfield of International Relations (IR), IO literature can be distinguished by the same underlying grand perspectives that are most commonly used in the IR field—namely, (neo)realism, (neo)liberalism, and constructivism.[26] While (neo)liberals (e.g., Keohane, 2005) are generally more optimistic about the prospects of international cooperation than (neo)realists (e.g., Waltz, 1979), both share a statist ontology and consider the state and its interests as the central subject of analysis. Adopting either of these two views in the study of the World Bank's anti-corruption programming would therefore place emphasis on the role of member state shareholders, represented through the Bank's board of governors and board of directors. In the late 1980s, constructivist approaches emerged that depicted IOs as autonomous actors in their own right, thus challenging the hitherto prevailing view in IR theory which regarded IOs as merely instruments of states.

Building on Weberian insights about the normative power that bureaucracies possess as rational-legal authorities and its implications for the ways they produce and control social knowledge, the influential work by Barnett and Finnemore (1999, 2004) provided the theoretical framework for considering IOs as "actors" rather than just "stages". Barnett and Finnemore shifted attention to the inner workings of IOs, showing how they create new rules, actors, and ideas, but also how they can "become obsessed with their own rules at the expense of their primary mission in ways that produce inefficient and self-defeating outcomes" (2004, p. 3). Since then, many studies have adopted a similar sociologically inspired approach to examine how internal and social forces shape IO behavior. How such internal-social factors have impacted World Bank policies and practice has been studied by Weaver (2008) looking at the role of internal leadership in the emergence of the good governance and anti-corruption agenda, and Marschinski and Behrle (2009) showing how the organizational culture shaped the Bank's environmental agenda. While many studies on IOs adopted a constructivist approach, drawing from the field of sociology, at least as many adopted a so-called rationalist approach, drawing from the field of economics. Rationalists applied principal-agent models toward understanding IO behavior and performance. For example, Gutner (2005) used the principal-agent model to show that incoherent mandates are a key source for the disconnect between the World Bank's stated environmental goals and its on-the-ground implementation. Also building on rationalist assumptions, Pollack and Hafner-Burton (2010) find that the effective implementation of IO mandates hinges upon hard incentives for bureaucrats like individual pay or promotion. Figure 12 summarizes the internal factors discussed in above review of various strands of IO literature and relates them to the organizational level of the World Bank at which they occur. In addition to the factors stemming from the literature, 'material constraints' are added as a separate category given that IOs may simply lack adequate personnel and resources to implement a given mandate.

[25] See Annex I for list of interviewees.

[26] For a comprehensive overview of the evolution of International Organization as a field of research see Reinalda (2013) and Gutner (2017).

Figure 12. Internal Factors



Source: Author's own figure.

Primary source data reveal that Bank employees associate several connotations and meanings with the concept of 'anti-corruption'. Some connotations stem from the perceived instrumentalization of 'anti-corruption' for foreign policy purposes, as well as for ideological ends in the past. Under Paul Wolfowitz, who served as the Bank's president from 2005 to 2007, there was widespread worry that 'anti-corruption' was being used selectively to advance U.S. foreign policy objectives, punishing some countries for corruption while not punishing others that scored equally or worse on corruption indices.[27] For example, under Wolfowitz, the Bank withheld lending to India, Uzbekistan, and Kenya until allegations of corruption were resolved, but did not apply the same criteria in Indonesia, Tajikistan, or the Democratic Republic of the Congo. The perception that Wolfowitz was turning the Bank into a U.S. foreign policy instrument angered staff members and shareholders alike, resulting in senior staff resigning and shareholders withholding payments to the Bank in protest (Cassidy, 2007). Another connotation associated with 'anti-corruption' relates to the view that the term carries a certain ideological baggage. The perception that the anti-corruption discourse is frequently adopted by the neoconservative right led some to regard 'anti-corruption' as a code word for small government ideology.[28] It should be qualified, however, that due to the anecdotal nature of the accounts it is difficult to estimate how widespread these connotations are among Bank employees. Another, arguably more significant, general finding of the interviews is a lack of conceptual clarity with regard to 'anti-corruption' and widely diverging views concerning the Bank's role in addressing the issue. The reason for this lies in the fact that several groups within the Bank conduct anti-corruption work (see *Figure 13*), and that the type of anti-corruption work they carry out varies greatly.

[27] Interview with Joseph E. Stiglitz, November (2007).
[28] See Polzer (2001) for a discourse analytical examination of the World Bank's anti-corruption discourse and its ideological underpinnings.

Figure 13. World Bank Units Working on Anti-Corruption

Note: Finance & Markets Global Practice (F&M GP) was renamed to Finance, Competitiveness & Innovation Global Practice (FCI GP) in 2016.
Source: Author's own figure.

On the one hand, there are the groups focusing on the fiduciary and compliance within Bank operations ensuring that funds are used for their intended purpose. This work is primarily the responsibility of procurement and financial management staff working in the sectors, with support from the Integrity Vice Presidency (INT), the Operations Policy and Country Services (OPCS), and the Sanctions System. On the other hand, there are the groups conducting developmental anti-corruption work, focused on curbing corruption in borrowing countries as part of the Bank's developmental mission. Anti-corruption activities belonging to the developmental stream include analytical work aimed at improving the diagnosis and measurement of the phenomenon, as well as operational work supporting the design and implementation of anti-corruption measures at the country level. As previously shown in the inventory discussion (see *Figure 6*, p. 11), most of the developmental anti-corruption activities are led by the Governance Global Practice (GGP), followed by the Finance and Markets Global Practice (F&M GP). Finally, the Legal Vice Presidency (LEG) plays an influential, multi-facetted role in all streams of anti-corruption work. It works as issuer of the legal frameworks for both the fiduciary and developmental anti-corruption work, as well as—on an ongoing basis—at the operational level primarily through its country lawyers, and at the sector level, through its legal advisors. This multitude of actors involved gave rise to multiple agendas related to anti-corruption, all operating at the same time. As the Bank's organizational structure adapted to the various types of anti-corruption work being carried out, at times there has been a tension between the fiduciary and developmental streams of anti-corruption work. While the fiduciary stream focused on safeguarding Bank operations from the weaknesses of a borrower's public sector, often by way of ringfencing project management systems, the developmental stream emphasized using and strengthening domestic systems to enhance borrower accountability and to sustain progress in controlling corruption beyond the duration of a project. Tensions among some of the groups working on anti-corruption might also emanate from the fact that they conceptualize corruption differently, leading also to different approaches to combatting it. Interviews and the review of the Bank's grand strategy documents on anti-corruption suggest that the different agendas operating under the anti-corruption label are also faced with different types of driving and limiting factors. Therefore, the following analysis distinguishes three agendas by their underlying conceptual understanding of corruption: corruption as a crime; corruption as matter of public administration; and corruption as a matter of power and politics. While acknowledging a certain degree of overlap and complementarity between the agendas, this differentiation is deemed useful as it sharpens the analytical lens onto the modes of operation of the different factors driving and limiting the Bank's anti-corruption programming.

4.2.1. Corruption as a Crime

Adherents of the 'corruption as a crime'-agenda conceptualize corruption predominantly as individual acts of illegal activity—e.g., giving or receiving a bribe—which are most effectively addressed through direct fiduciary and legal measures.

After Wolfensohn publicly declared the fight against corruption a top priority for the Bank in 1996, among the first actions that followed was the hiring of additional financial management and procurement staff to address corruption within Bank-financed projects. Simultaneously, the Bank's legal department and central procurement offices revised the procurement guidelines to manifest that fraud and corruption would not be tolerated, and outlined standard procedures to investigate allegations of fraud and corruption by suppliers, contractors, and consultants (Thornburg et al., 2002). The first formal investigations unit was created in 1998, which took a variety of forms before the Department of Institutional Integrity (INT) was set up in 2001. Well-endowed with resources, INT had handled over 1,300 cases resulting in 225 debarments of individuals and firms by the time it issued its first annual report in 2004 (World Bank, 2005). The sanctions process was overhauled in 2004 establishing the basic two-tiered structure that still operates today. INT investigates allegations of corruption and, if substantial evidence is found, refers them to the Office of Suspension and Debarment (OSD)—the first tier of the Bank's sanctioning process. OSD reviews the evidence and issues a sanction if the evidence supports it. The accused firm or individual has the option to contest the sanction which would lead the case to be referred to the Sanctions Board—the second tier of the Bank's sanctioning process.

The Sanctions Board conducts a full *de novo* review in each contested case and issues a final and non-appealable decision. A cross-debarment agreement was signed with four other multilateral development banks in 2010, stipulating that entities debarred by one bank will be sanctioned for the same misconduct by the other signatories.[29] Furthermore, a comprehensive corruption risk assessment framework was developed and gradually mainstreamed into the operational design of all projects.[30] These internal efforts in creating strong fiduciary and legal mechanisms to identify, sanction, and prevent corruption in Bank operations also shaped the external anti-corruption work. Particularly the initial period of anti-corruption work was characterized by a close conceptual and operational alignment between the fiduciary and developmental streams. Early anti-corruption programming resembled the Bank's own efforts to curb corruption in its operations and focused on assisting borrowing governments in adopting anti-corruption guidelines and building capacity to ensure compliance.

Another set of external anti-corruption activities focusing on "corruption as a crime" emerged after the United Nations Convention against Corruption (UNCAC) was adopted by the United Nations General Assembly in 2003. The Bank assisted signatory countries with the implementation

[29] The Agreement for Mutual Enforcement of Debarment Decisions was signed by the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the World Bank Group.
[30] See World Bank (2014) for a discussion of the current Systematic Operations Risk-Rating Tool (SORT), requiring Bank staff to assess and rate the risk of fraud and corruption when preparing a new project.

of a range of measures set forth by UNCAC, including the formulation of anti-corruption laws, the establishment of anti-corruption bodies, and the recovery of corruption proceeds. After an initial uptick in the number of activities related to UNCAC, the Bank's engagement in those areas declined for a variety of reasons. The number of activities related to fulfilling UNCAC's legislative requirements declined simply because an increasing number of countries had enacted most of the convention into domestic legislation. Another UNCAC requirement that the Bank assisted countries in implementing was the creation of specialized anti-corruption bodies. In many countries this requirement was fulfilled by establishing an anti-corruption agency (ACA), of which currently there are more than 100 in operation globally. The replication of ACAs that are widely considered successful, such as Singapore's Corrupt Practices Investigation Bureau (CPIB) and Hong Kong's Independent Commission Against Corruption (ICAC), proved to be more difficult than expected elsewhere. Particularly in contexts of endemic corruption, ACAs often remained ineffective, if not actively harmful when being used by ruling elites against political opponents. External studies concluded that the overall performance of ACAs fell short of expectations (OECD, 2008; Mungiu-Pippidi, 2015), and internal reviews concluded that the Bank's support for anti-corruption bodies had limited impact (World Bank, 2008; World Bank, 2011b). Those meager results contributed to the gradual scaling down of Bank support for ACAs over time.

Moreover, the Bank supported the implementation of UNCAC through the formation of the Stolen Asset Recovery Initiative (StAR), which was launched in 2007 in partnership with the United Nations Office on Drugs and Crime (UNODC). The StAR initiative is an international effort to assist requesting countries in recovering assets stolen by former corrupt leaders, working with both financial centers and victim states. StAR activities are usually comparatively small in budget terms and take the form of trainings, convening events, and publications. A major contribution of StAR is the compilation and maintenance of an online database containing information on international corruption cases from almost 140 countries and documenting over USD 8 billion in stolen funds that have been frozen, confiscated, or returned to victim states since 1980.[31] The launch of initiatives like StAR and the International Corruption Hunters Alliance (ICHA), a network of more than 200 anti-corruption officials from over 100 countries launched by INT in 2010 to advance the investigation and prosecution of corruption, indicates the firm anchoring of the "corruption as a crime" agenda within the Bank.

The initial impetus for this agenda, as it is the case for the other agendas, came with Wolfensohn's vocal push to take action against corruption in 1996. The buildup of fiduciary controls received further momentum when an internal memorandum was leaked in 1998 which estimated that at least 20–30% of the Bank's project funds in Indonesia were diverted through informal payments to bureaucrats and politicians, and that Bank controls have little practical impact (Simpson, 1998). The ensuing creation of a comprehensive fiduciary apparatus to better protect development funds against corruption should reassure donors that their funds were being used for the purposes intended and reduce reputational risks for the Bank. As part of these efforts, INT was created with the original purpose of investigating allegations of fraud and corruption in Bank projects and allegations of staff misconduct. Over time, however, INT's mandate expanded from playing a mostly reactive role investigating problems after they occurred, applying sanctions as a deterrent, to a more proactive role in preventing corruption, collaborating with other groups across the Bank that conduct anti-corruption work. Consisting primarily of staff with a legal background, INT has been central in promoting the "corruption as a crime"-agenda, exerting great influence also on the way that anti-corruption is thought and talked about in general at the Bank.

Soon after assuming the Bank presidency in 2005, Paul Wolfowitz declared the fight against cor-

[31] StAR Asset Recovery Watch Database, https://star.worldbank.org/corruption-cases/ (accessed April 16, 2020)

ruption a major priority and assigned INT a prominent role in it. Wolfowitz appointed Suzanne Folsom, a Republican Party activist, to head INT, ignoring the short list of highly qualified candidates that a selection committee had put together (Callan & Guha, 2007). Under Folsom's leadership, INT became more active and aggressive in investigating corruption, both within Bank operations and among Bank staff. INT conducted large systemic investigations in a number of selected countries, including a detailed review of five Bank-financed health projects in India (World Bank, 2007a). The report, which had found significant indicators of fraud and corruption in all projects, leaked to the press before the operational Bank staff involved had seen it, and led to an immediate breakdown of relations between India and the Bank (Heimann & Pieth, 2018).

Consequently, the already-strained relationship between INT and Bank staff deteriorated further. In 2007, widespread staff complaints that INT was unfairly prosecuting Bank personnel led the Bank's board of executive directors to request the formation of an independent panel of experts to review the role and management of INT. In its final report, the panel, led by former chair of the U.S. Federal Reserve Paul Volcker, describes the state of the Bank's anti-corruption work in early 2007 as enveloped by "a lack of common purpose, distrust, and uncertainty" (World Bank, 2007b, p. 9). Furthermore, it finds that resistance to the work of INT has been particularly strong among important parts of Bank staff and some parts of Bank leadership. The report highlights two potential motives behind this resistance to INT. First, the concern that a strong anti-corruption effort would somehow be anti-development and "penalize the poor twice" by cutting off ties to countries suffering from poor governance. Second, the discomfort among some Bank staff, who are generally incentivized by the pay and evaluation system for getting projects approved, to have those projects investigated *ex-post* by INT, potentially exposing corruption and straining relations with borrowing countries. The panel recommended a major strengthening of the organizational relationships and role of INT and called for a coordinated Bank-wide approach to end "past ambivalence about the importance of combating corruption" (World Bank, 2007b, p. 3).

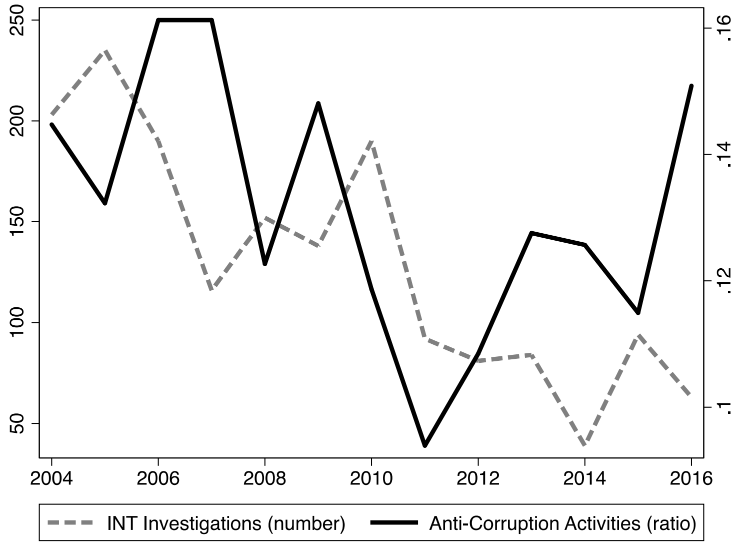
The impartiality of the panel was later called into question when 16 INT staff members filed grievances with the Bank's internal Administrative Tribunal alleging that they suffered a hostile work environment, unfair treatment, abuse of discretion, and violations of due process at the hands of INT management between 2005 and 2008. The Tribunal revealed in the text of its ruling that a Volcker panelist informed Folsom regularly about the identity of INT staff who registered concerns about INT management to the panel, and that she then retaliated against those who criticized her (*AT Decision 419*, 2009, para. 45).[32] In addition to the intimidation of witnesses, the ruling indicates that Folsom altered both practices and documents to mislead the panel about the administration of INT (*AT Decision 410*, 2009, para. 52). Responding to an inquiry by the Government Accountability Project (GAP), a whistleblower advocacy group, questioning the validity of the panel's findings, the Bank's General Counsel responded that "while the findings of the Administrative Tribunal […] have been disheartening to current Bank Management, there is nothing in those findings that undermines the validity of the Volcker Panel's multiple recommendations" (Leroy, 2010, p. 2). Under the successor to Wolfowitz, Robert Zoellick, the Bank adopted the panel's recommendations, including the elevation of INT to the status of a vice presidency with reporting lines directly to the president, as well as the expansion of INT's preventive role by setting up an internal consulting unit to advise operational staff on preventive measures. With the institutional strengthening of INT, the "corruption as a crime" agenda gained ground in the internal discourse around corruption and anti-corruption programming.

When asked about potential factors driving the Bank's anti-corruption programming, an inter-

[32] The Bank's Administrative Tribunal awarded substantial damages to all sixteen INT staff members. As a consequence of these rulings, and another case in which Folsom was found guilty of damaging the professional and personal reputation of the former General Counsel of the private sector lending arm of the Bank, the International Finance Corporation (IFC), the Bank paid the victims over USD 2 million in damages and compensation.

viewee suggested a link between INT investigations and anti-corruption activities. The hypothesized mechanism being that the more country teams see their projects being investigated by INT and project disbursement levels being affected as a consequence, the more likely they are to become proactive about corruption and implement an anti-corruption activity. Indeed, when looking at aggregated numbers, a correlation between the number of INT investigations and the number of anti-corruption activities seems plausible (see *Figure 14*). However, when testing this relationship, using data from INT annual reports disaggregated by region and year, no statistically significant linear association was found.

Figure 14. INT Investigations and Anti-Corruption Activities



Source: INT annual reports 2004–2017; World Bank Anti-Corruption Activities Inventory
Note: 'Number of INT investigations' refers to the number of new external cases opened by INT per year; 'Anti-corruption activities' are expressed as the ratio of new anti-corruption activities to all new activities per year.

To sum up, the "corruption as a crime" agenda promotes direct approaches in combatting corruption centered on sanctioning and deterring transgressions. The first set of anti-corruption activities adopting the "corruption as a crime" perspective was primarily motivated by the Bank's need to fulfill the fiduciary duty to member countries that funds are used for their intended purposes. Leveraging its own experience in creating strong fiduciary oversight, the Bank assisted in improving the fiduciary systems of borrowing countries, mainly through trainings and technical assistance. Another set of anti-corruption activities pertaining to this agenda arose from requirements for countries to implement UNCAC, which included support for national anti-corruption laws and agencies. After a number of internal evaluations concluded that direct measures to reduce corruption rarely succeeded, as they often lacked the necessary support from political elites and the judicial system, the Bank scaled down its support for such interventions. At the same time, work on the recovery of stolen assets as well as support for efforts to prevent illicit financial flows (IFFs) and money laundering expanded since the creation of StAR in 2007. Overall, the "corruption as a crime"-perspective has continuously shaped the Bank's anti-corruption programming, not least due to the influence of INT. Three Bank Presidents in a row—Wolfensohn, Wolfowitz, and Zoellick—declared anti-corruption a top priority and regarded the strengthening of INT as a means toward that end. While originally only responsible for investigating corruption in Bank projects, INT has evolved to being centrally involved in strategic decisions about the future of the Bank's work on anti-corruption.

4.2.2. Corruption as a Matter of Public Administration

The 'corruption as a matter of public administration' agenda is based on a conceptualization of corruption as a symptom of institutional malfunction and promotes indirect anti-corruption measures focused on improving core public sector management practices and systems.

The 1997 WDR focused on state capability and proposed a more nuanced understanding of the role of the state in development, which marked a significant shift from the market idolatry of the 1980s and early 1990s, and also from the belief in omnipotent states of the 1960s and 1970s. While the report introduced an expanded conception of good government that mentioned the importance of increased citizen voice and participation, in the years following the report's publication the Bank's operational engagement remained preoccupied with the technocratic ingredients of state capability. Shortly after the launch of the 1997 WDR, a strategy paper was published specifically on anti-corruption that laid out a basic framework for addressing corruption in the Bank's operational work. It included the affirmation that "corruption is a governance issue", immediately followed, however, by the warning that "the Bank must focus on the economic concerns within its mandate and must refrain from interfering in countries' political affairs" (World Bank, 1997a, p. 5).

In 2000, a report taking stock of the progress made on anti-corruption since the publication of the strategy paper underscored the Bank's view of corruption as a "symptom of underlying weaknesses in public sector institutions", and called for "better integration of the anti-corruption agenda with other capacity-building efforts of the Bank" (World Bank, 2000b, pp. 2–3). An obvious workstream to integrate the anti-corruption agenda with was 'public sector management' (PSM), which the Bank had classified as a separate sector focused on the workings of core areas of government. Considered part of the Bank's bread and butter, the PSM workstream assists countries in reforms of core public sector institutions, such as administrative and civil service reform, public expenditure and financial management reform, tax and customs administration reform, legal and judicial reform, as well as the reform of state-owned enterprises. In spite of entailing a wide array of different measures, public management reforms have in common that they "consist of deliberate changes to the structures and processes of public sector organizations with the objective of getting them (in some sense) to run better" (Pollitt & Bouckaert, 2004, p. 8). Or as an OECD report put it, public management reforms fix the 'plumbing of the public sector', focusing on how money is used, how people are motivated and how organizations are structured (OECD, 2009, p. 74).

Most anti-corruption measures related to PSM reforms are based on the premise that corruption stems from the decisions of public agents. Interventions are thus targeted at rendering the decision to engage in corruption more costly and more difficult for public agents. In focusing on individual cost-benefit calculations of rational agents, these measures clearly adhere to the principal-agent approach to corruption, as pioneered most notably by Rose-Ackerman (1978) and Klitgaard (1988). Viewed through the lens of the principal-agent framework, corruption is an agency loss problem, in which agents (bureaucrats) betray their principals (elected or appointed officials) pursuing their own self-interest at the expense of the public interest. Due to information asymmetry, principals are unable to fully monitor the actions of agents, allowing them more discretion to pursue their own self-interest. Corruption thus appears as a form of moral hazard when the interests of principals and agents diverge.

Building on the rational-choice assumption that an agent will only decide to engage in corruption if the expected net benefits outweigh the net costs, principal-agent approaches focus on increasing the cost of corruption for agents, mainly by way of expanding monitoring mechanisms by the principals, raising public sector wages, and augmenting penalties. While interventions pertaining to the "corruption as a crime"-agenda emphasized detecting and sanctioning corruption directly, the "corruption as a matter of public administration"-agenda centers on indirect preventive measures. The Bank supported such indirect preventive anti-corruption measures mainly as part of wider civil service and administration (CSA) reforms and public financial management (PFM) reforms. Measures linked to CSA reforms often included reforming human resource management involving all aspects of recruitment, performance appraisal, career development, and remuneration. PFM reforms, on the other hand, contributed to reducing opportunities for corruption by modernizing financial management information systems (FMIS), implementing treasury single accounts (TSA) and medium-term expenditure frameworks (MTEFs), as well as by introducing e-procurement systems. Overall, both CSA and PFM reforms intended to simplify administrative procedures and regulations, which would also contribute to reducing official discretion and lowering opportunities and incentives for public agents to engage in corruption.

Anti-corruption measures related to PSM reforms share the commonality that they tackle what Bank reports have referred to as 'bureaucratic corruption' (World Bank, 1997a, 2007c, 2008). Besides the oxymoronic nature of the term—which we have critiqued elsewhere (Mungiu-Pippidi & Hartmann, 2019, pp. 15–16), measures focusing on the bribery of bureaucrats tend to only consider factors that are internal to the bureaucracy. In contexts in which the bureaucracy is largely autonomous from political interference, that is, where corruption is the exception, the neglect of the political factor may be justified as it can be assumed that the majority of elected or appointed principals behave with integrity. In the majority of countries in which the Bank operates, however, corruption has systemic character with the administration lacking autonomy and being characterized by nepotism, patronage, and politicization. In these contexts, reforming administrative rules and procedures is not likely to be effective by itself. The Bank is aware that "focusing reforms on combatting bureaucratic corruption seems unfair if state-capture corruption is persisting" and that "reducing state capture (if possible) would make reduction of bureaucratic corruption more effective and sustainable" (World Bank, 2008, p. 63). Despite this awareness, the Bank has addressed state-capture corruption only in a few occasions, when deep political and economic crises exposed the corruption of old regimes and new ones assumed office that placed emphasis on anti-corruption. The Bank has usually avoided advocating measures that would openly contribute to transforming neo-patrimonial regimes since it was regarded as politically too sensitive, even in contexts where the Bank's own formal and informal analytical work had identified state capture as a root problem (World Bank, 2008, p.63).

The Bank has sought to increase government interest in reforms addressing administrative corruption through Bank-country dialogue, analytical work, and technical assistance. In the early Wolfensohn years, in-country workshops and surveys served to introduce the subject of corruption into the Bank-country dialogue. Examples include the Public Expenditure Tracking Survey (PETS) and the Quantitative Service Delivery Survey (QSDS) which tracked public spending from the budget to service delivery. In 1998, the Bank, jointly with the European Bank for Reconstruction and Development (EBRD), created the Business Enterprise and Environment Survey (BEEPS), which measures aspects of the business environment and includes specific questions on corruption. In 2003, the Bank launched the Doing Business Report, another set of business environment indicators assessing a country's regulatory burden and providing insights about existing opportunities for corruption. Another diagnostic tool, focused on institutional weaknesses in the area of PFM, is the Public Expenditure and Financial Accountability (PEFA) framework, which was launched in 2005 by the Bank along with several international development partners.[33] Although the PEFA framework does not include an explicit corruption indicator, improvements in the actionable PEFA indicators can help reduce opportunities for corruption in a country's PFM system. Reviewing the

[33] The Public Expenditure and Financial Accountability (PEFA) program was initiated in 2001 by seven international development partners: The European Commission, International Monetary Fund, World Bank, and the governments of France, Norway, Switzerland, and the United Kingdom. The first publicly available version of PEFA was launched in 2005.

contribution of these diagnostic tools toward anti-corruption, an internal evaluation finds that they have been useful for identifying institutional weaknesses in PFM systems, but that the absence of political and cultural factors in these analyses reflects a general weakness in the Bank's approaches to anti-corruption (World Bank, 2008, p. 61).

Overall, viewing corruption as a matter of public administration has arguably been the most influential perspective in shaping the Bank's anti-corruption programming. Building on insights from principal-agent theory, most of the Bank's anti-corruption programming has been centered on corruption risks in the public sector, with measures aimed at limiting the discretion of public agents and establishing mechanisms of control. Premised on the view that corruption is a symptom of institutional malfunction, this agenda favors indirect and preventive measures over direct and sanctioning ones to curb corruption. In 1997, the agenda was strengthened in the context of a major internal reorganization led by then-President Wolfensohn—known as the Strategic Compact—in the process of which the thematic group Poverty Reduction and Economic Management (PREM) was created. PREM was established with the objective of expanding the Bank's support for public sector reforms and endowed with specialized staff, which increased in number almost tenfold within the first three years. An internal 2008 survey revealed that more than half of PREM staff specialized in PFM reforms and about one-fourth specialized in CSA reforms, reflecting the emphasis of the Bank's public sector work at the time (World Bank, 2008, p. 31).

In the mid-2000s, a growing number of evaluations concluded that evidence of the effectiveness of direct anti-corruption measures in developing countries was mostly weak, and that indirect approaches have often proven more successful (World Bank, 2006a; Fjeldstad & Isaksen, 2008). These findings reinforced the view among many Bank staff, and PREM staff in particular, that "you don't fight corruption by fighting corruption", but rather indirectly by strengthening core public sector systems.

Another driving factor behind the Bank's ample support for PSM reform, both in terms of anti-corruption work and in general, is that it suits the Bank's underlying financial model. Like other multilateral development banks (MDBs), the Bank seeks to be financially self-sustaining by raising the majority of its resource envelope through international capital markets, which it then on-lends to borrowing countries, charging a small mark-up to cover administrative expenses. For example, in fiscal 2019 the Bank raised an USD equivalent of 54 billion by issuing bonds in 27 currencies (World Bank, 2019c). The appeal of the organizational model of MDBs to its member governments is that by investing a relatively small amount of shareholder capital they can achieve a substantial developmental impact, at least in financial terms (Humphrey, 2017, p. 2). On the downside, this organizational model can lead MDBs to face trade-offs between financial and developmental objectives, as often pointed out in the literature (Ben-Artzi, 2016; Humphrey, 2017; Delikanli et al., 2018). As for the Bank, a tension between these dual objectives was revealed by an internal evaluation in 1992—known as the Wapenhans Report—which found that "the Bank's pervasive preoccupation with new lending" seriously impaired the quality and management of projects and, thus, the achievement of project development objectives (World Bank, 1992, p. iii).

The origin of the 'lending imperative' traces back to Robert McNamara, Bank president from 1968 to 1981, who linked staff promotions to lending targets, incentivizing operational staff to focus on projects that are 'bankable' in terms of loan size (Weaver, 2008, p. 84). Since then, internal evaluations have reported with frequency that lending pressures are limiting the effectiveness of the Bank's developmental work (World Bank, 1992; World Bank, 2001a, p. 29; World Bank, 2011b, p. 28). In spite of the occasional formulation of action plans to address these findings (World Bank, 1993), the Bank's 'lending imperative' has remained as an informal but operational rule of the game until today. Out of the three anti-corruption agendas discussed, this one suits the Bank's underlying financial model best as it entails big-ticket items, such as the financing of large-scale information and communication technology (ICT) systems, which can be wrapped into sizable lending operations.

Organizational learning, furthered mainly through the evaluation work carried out by IEG, has also shaped this agenda. Evaluations have found that PFM is among the reform areas with the strongest evidence for effectiveness in curbing administrative corruption, which is partly owing to measurement tools, such as PETS, BEEPS, and PEFA, that provide high-quality data to track progress (World Bank, 2008; Johnsøn et al., 2012). As a result of these findings, measures linked to PFM reforms expanded. In contrast, Bank support for measures linked to CSA reforms declined after evaluations showed that civil service reforms remained largely ineffective (World Bank & IMF, 2002; OECD, 2005; World Bank, 2008). For example, adhering to the principal-agent approach, anti-corruption measures linked to CSA reform sought to increase the cost of corruption for public agents by augmenting penalties as well as salaries. A way of augmenting penalties was by weakening the dismissal protection of public agents. This approach fitted well with the ideas of the new public management (NPM) paradigm in public administration, which intended to bring private sector management practices to the public sector, and to which the Bank has been quite receptive to. However, the weakening of public officials' job security cuts at the very foundation of the modern bureaucracy in a Weberian sense. Weber regarded providing bureaucrats with job security and a fixed salary as prerequisites for ensuring that state bureaucracies are not compromised by personal interest (Weber, 1947). With respect to salary reform as a means to curbing bureaucratic corruption, the meager results do not come as a surprise given that most of the existing research on the subject provides limited evidence that increasing public sector wages will lead to less corruption (Rauch & Evans, 2000; Van Rijckeghem & Weder, 2001; Di Tella & Schargrodsky, 2003; Treisman, 2007).

A more fundamental critique of this agenda, and its underlying conceptualization of corruption as a matter of public administration, is that it does not give enough consideration to the nature of the state that is supposed to implement the anti-corruption measures. For example, Rauch & Evans (2000) pointed out that a drawback of the principal-agent approach is that to some extent it assumes away the possibility that the principle is himself corrupt. This would seem like a bold assumption to make, particularly for the Bank, given that it tends to operate in particularistic, if not neo-patrimonial, contexts where dominant elites are the main profiteers of widespread corruption and have little will for reform. In such contexts, any lasting effects of administrative reforms on the level of corruption may be questionable. Anti-corruption measures pertaining to this agenda are mostly characterized by a technocratic approach, overlooking the fact that anti-corruption reform, while entailing important technical aspects, also is a political and social endeavor, whose prospect of succeeding is dependent on local circumstances and human behavior. The reason why many of the anti-corruption initiatives fail is because they are non-political in nature, while most corruption in developing countries is inherently political (Mungiu-Pippidi, 2006).

Most of the Bank's anti-corruption programming has been based on the conceptualization of corruption as a matter of public administration, and hence focused on the strengthening of core public sector management practices and systems. This emphasis suits the Bank's underlying financial model as it entails comparatively capital-intensive investments, such as support for the modernization of public sector ICT infrastructure. Over the years, the Bank has developed expertise in PSM reform and established a number of fact-based measurement tools to track reform progress, most notably in the area of PFM. While sound core public sector management practices and systems are a crucial element of a country's good governance infrastructure, reforms that have too narrowly focused on technocratic solutions have frequently impaired its effectiveness by failing to consider the broad underlying features of the governance environment they operate in.

4.2.3. Corruption as a Matter of Power and Politics

The 'corruption as a matter of power and politics' agenda is based on a holistic conceptualization of corruption, entailing both legal and illegal forms of corruption, and promotes analytical work focused on networks of actors and underlying power asymmetries, as well as operational work aimed at improving accountability and changing skewed power equilibria.

This agenda constitutes a paradigmatic shift in the analysis of corruption and operational approach to anti-corruption—from a narrow focus on fiduciary, legal, and public management approaches to a broader perspective that incorporates both the institutional environment within which public organizations operate and the dynamics of power and politics. Two streams of work are related to this agenda: First, the political economy strand that aims to improve context sensitivity of the Bank's engagement, mainly by way of conducting analytical work such as stakeholder mappings, assessments of formal and informal institutions, as well as broader assessments of a country's political economy conditions. Second, the transparency and participation strand linked more closely to the Bank's operational work promoting the implementation of transparency-inducing initiatives such as the Extractive Industries Transparency Initiative (EITI), as well as community-driven and -based approaches to enhance citizen engagement. While these two streams could be discussed as separate agendas, they are addressed as part of the 'corruption as a matter of power and politics' agenda since they are both related to changing skewed power equilibria and are affected by similar internal driving and limiting factors.

Beginning in the mid-1990s, the Bank shifted greater focus on the economic cost of poor governance and undertook a range of analytical work to diagnose and measure the quality of governance. In 1996, the macro-level World Governance Indicators (WGI), a collection of six aggregate indicators of governance, including a measure of the 'control of corruption', were issued for the first time. In 1999, the Bank started conducting more detailed Institutional and Governance Reviews (IGRs) intended to analyze a country's public sector institutions with explicit emphasis on political economy issues. IGRs, which were discontinued in the late 2000s, were sometimes carried out in tandem with anticorruption surveys of citizens, firms, and government officials. The majority of the early analytical work on corruption was pioneered in the Europe and Central Asia (ECA) region by staff affiliated with the World Bank Institute (WBI) and the Poverty Reduction and Economic Management (PREM) department. The experience in the ECA region informed a series of reports that developed the concept of 'state capture' and had a lasting impact on the Bank's overall thinking on anti-corruption (World Bank, 2000a; Hellman et al., 2000).

The reports introduced 'state capture' as a new typology of corruption, defined as "the actions of individuals, groups, or firms in both the public and private sectors to influence the formation of laws, regulations, decrees, and other government policies (i.e., the basic rules of the game) to their own advantage by means of the illicit and non-transparent provision [of] private benefits to public officials". It distinguished this from 'administrative corruption', which does not alter the basic rules of the game, but occurs when "actors obtain individualized exceptions to or favorable application of those rules" (World Bank, 2000a, pp. 1–2). State capture and administrative corruption are often wrongly equated—including in official Bank publications (e.g., World Bank, 2008, p. 58)—with the more familiar distinction between 'grand corruption' and 'petty corruption', which generally refers to the level at which corruption occurs.

However, administrative corruption is not confined to lower levels of government and can occur at all levels when special discretionary exemptions to laws and regulations are granted. State capture, on the other hand, occurs when the rules of the game are being changed, which tends to encompass higher levels of government empowered to change legislation, but can also extend to lower levels of government (World Bank, 2000a, p. 16). Another seminal paper that highlights the importance of differentiating types of corruption and tailoring anti-corruption reforms to local contexts was published by Huther and Shah in 2000. Huther and Shah distinguish between contexts of weak, fair, and good quality of governance and argue that in contexts of high corruption and weak governance—i.e., where corruption has systemic character—direct anti-corruption measures would be counterproductive and that under such circumstances the Bank should instead focus on promoting broader governance reforms, including greater public participation in public expenditure decisions, judicial reform, and economic liberalization (Huther & Shah, 2000). The recognition at the time that a country's quality of governance, as well as the prevalent type of corruption, need to be assessed *ex-ante* in order to determine suitable anti-corruption measures led to the completion of numerous governance and anti-corruption surveys.

The findings of the empirical survey work, which included questions assessing state capture for the first time, pointed to a departure from the traditional public sector management approach to fighting corruption that had centered on reforming administrative processes and systems. The WBI had been at the forefront of promoting an approach to institutions-building with, from the outset, a participatory, coalition-building focus that placed emphasis on collective action (World Bank, 2000c, p. 151). WBI conducted workshops to disseminate results of the surveys among all segments of society, including government officials, parliamentarians, the media, and local NGOs. In addition, it conducted a number of trainings and seminars on a range of topics to promote 'good and clean governance'[34], including on investigative journalism and parliamentary oversight. Since the Bank generally has governments as counterparts and needs those governments' approval for its activities, the majority of the Bank's anti-corruption programming focused on the supply-side—i.e., on reforms that are supplied by the government. Some of WBI's activities, however, are specifically aimed at the demand-side for better governance. Through diagnostic, awareness-raising, and capacity-building activities the WBI has actively supported coalition-building and bottom-up participatory processes to strengthen the demand side for institutional change. The WBI thus pursued a strategy that departed from conventional approaches of focusing on internal rules and laws, and instead emphasized voice, external accountability mechanisms, transparency tools, and participatory consensus-building strategies involving key stakeholders (World Bank, 2004, p. 20). Increased WBI activity—mostly in the form of trainings—has caused the peak in the overall numbers of anti-corruption activities observed between 2003 and 2007 (see *Figure 5,* p. 12).

In 2000, the Bank published "Reforming Public Institutions and Strengthening Governance"—a grand strategy document which incorporated the themes and lessons of the body of work focused on diagnosing and measuring the quality of governance that had emerged in previous years. The strategy recommended that analysis of a country's political economy be conducted as a routine part of all operational engagement to assess the political power of local stakeholders and the political support for reform. The strategy noted that a full understanding of the political economy landscape was necessary to empower reform-minded stakeholders and help countries break out of dysfunctional political equilibria (World Bank, 2000c, p. 34). As a result, the political-economic focus of diagnostic instruments such as IGRs and PERs solidified, at least in the years following the publication of the strategy.

Another publication that underscored the importance of adequately considering the political-economic context was the edited book "The Many Faces of Corruption: Tracking Vulnerabilities at the Sector Level" (World Bank, 2007d) which constituted the first Bank publication taking a deliberate sectoral cut at analyzing problems of corruption. Intended to provide guidance for the integration of anti-corruption measures into sectoral reforms, the book's main recommendations included—in addition to the (even then) worn-out dictum that "one size does not fit all"—to complement supply-side interventions with demand-side mechanisms to increase effectiveness, and to strengthen

[34] In 1999, President Wolfensohn launched the Comprehensive Development Framework (CDF) in which he identified 'good and clean governance' as a structural prerequisite for sustainable growth and poverty alleviation (Wolfensohn, 1999a).

electoral institutions. Furthermore, the book reiterated one of the recommendations made in the 2000 strategy that the Bank should look out for windows of opportunity in which the incentives of key stakeholders realign in favor of envisioned reforms. Crises often present such windows of opportunity in which reformers are able to introduce institutional change that otherwise would not have been feasible. Taking the incentives of stakeholders seriously also implies that reforms may need to be more pragmatic in that second- or third-best solutions might be preferable if better aligned with stakeholder incentives. In contexts where no stakeholder coalition strong enough to implement reforms seems to exist, the book advises against taking any action, simply stating that "in some cases, doing nothing may be the best option" (World Bank, 2007d, p. 15).

Most analytical frameworks for political-economic work were developed in the early to mid-2000s. The most prevalent themes of this stream of work include political incentives of stakeholders, distribution of political power, government credibility, institutional fragility, as well as the recognition of substantial variation in the political-economic landscape on the regional and sub-regional level (World Bank, 2011a, pp. 10-18). For the most part, political economy analysis took the form of analytical inputs informing country or sectoral strategies, as well as projects. Stand-alone political-economy outputs were produced less frequently. In identifying "state capture" as one of the main threats to governance and anti-corruption efforts, political economy analysis has prompted the integration of a range of mitigation measures into the Bank's programming. While one strategy has been to ringfence projects to protect them from elite inference—e.g., by installing a project implementation unit (PIU) that adheres to Bank policies and guidelines—, another approach has focused on empowering reform-minded stakeholders and developing their capacities vis-à-vis the elites. The latter has been favored by those who conceptualize corruption more broadly as a matter of power and politics.

The need for a better understanding of domestic political dynamics became even more apparent when the Bank embraced a developmental approach that emphasized recipient-country ownership and promoted greater use of and support for country systems and institutions. Commitment to fostering local ownership became an overarching strategic objective of all Bank engagement which has also been enshrined in international agreements such as the 2002 Monterey Consensus (United Nations, 2002, pp. 14-15) and the 2005 Paris Declaration (OECD, 2005a, p. 3). In the early 2000s, the Bank—along with other donors and lenders—adopted the Poverty Reduction Strategy Paper (PRSP) process to guide lending to low-income countries. The PRSP approach was based on the stated objectives of ensuring country ownership and a pro-poor focus of reforms. Documents guiding the creation of PRSPs recommended the active involvement of all stakeholders—government, civil society, and donors—as well as a better understanding of relationships of power between them.

The quality of governance was regarded as inextricably linked to poverty and therefore deliberately addressed in PRSPs, as well as in the ensuing operational engagement. An innovative element of the PRSP approach was that it sought to increase the participation of marginalized groups in policy making and monitoring processes as a way to strengthen their political voice and representation, as well as to increase the quality of policy making, governance, and service delivery (World Bank, 2002, p. 275). PRSPs explicitly promoted community-driven development (CDD)—as this approach to development assistance came to be known that seeks to actively engage beneficiaries in the design, management, and implementation of programs. The Bank became a strong supporter of the CDD approach, lending on average USD 2.6 billion annually towards CDD programs between 2007 and 2017, which represents 5 to 10 percent of overall Bank lending during the same period (Wong & Guggenheim, 2018, p. 8). In addition to supporting CDD, the Bank has contributed to fostering local demand for good governance through a range of initiatives. Those include, in the area of 'participation' and 'social accountability' initiatives such as the Global Partnership for Social Accountability (GPSA), and in the area of 'transparency' the Extractive Industries Transparency Initiative (EITI), among many others. While these initiatives stated anti-corruption only as secondary objectives, from a perspective that conceptualizes corruption primarily as a matter of power and politics, they are considered useful anti-corruption tools due to their contribution to enhancing collective action and rebalancing skewed power equilibria.

Between 1982 and 2010, the salience of political-economic and governance concerns in the Bank's analytical and operational work—as measured by the number of occurrences of the keywords "political economy" and "governance" in all publicly disclosed documents available through the Bank's online database—peaked in the early 2000s and declined afterwards in relative terms (World Bank, 2011a, pp. 9-10). The agenda picked up momentum again with the implementation of the 2007 Governance and Anti-Corruption Strategy (GAC) which was designed as a change management process that sought to strengthen staff awareness and capacity, build tools, and generate good practice in the areas of good governance and anti-corruption. The implementation of GAC, as well as most of the initiatives previously mentioned, was primarily financed through trust funds, which are earmarked grants that the Bank administers for external donors. The 2007 GAC Strategy set the intention to ramp up the Bank's work on anti-corruption, but since it was financed through a large multi-donor trust fund—called the Governance Partnership Facility (GPF)—the amount of Bank budget (BB) that was being allocated to anti-corruption declined during that period. When the GPF funding ended after a couple of years, the Bank did not substitute the funds with its own resources, leading to a decline of work related to GAC themes. GPF funding had been used to fund governance specialist staff positions and provided resources to Bank staff intending to integrate governance into operations at the country level and into sectors. When GPF funding dried up, however, most of these specialists did not get re-hired and there were significantly fewer resources available to conduct political economy analyses to inform operational work.

More recently, the World Development Report 2017: Governance and the Law (WDR 2017) revived the message that power and politics matter fundamentally for development outcomes. Simply put, the report examined how governance—defined as "the process through which state and nonstate actors interact to design and implement policies within a given set of formal and informal rules that shape and are shaped by power" (World Bank, 2017, p. 3)—determines development outcomes and how power asymmetries can undermine the effectiveness of policies. There is usually a time lag of one to two years between the publication of a WDR and its operationalization in programming. Asked about the impact of the WDR 2017 about two years after its launch, one interviewee observed that the report "didn't affect operations"[35] and another one that it was "a good support to our cause, definitely, but it was a little bit too abstract"[36]. Another recent report that dealt explicitly with corruption as a matter of power and politics was the 2018 Development Report for the Middle East and North Africa region. The report, titled "Privilege Resistant Policies in the Middle East and North Africa: Measurement and Operational Implications", proposed a range of concrete instruments and operational interventions to address state capture (World Bank, 2018, ch. 3). There is also ongoing research on the role of politics in development led by Stuti Khemani of the Development Research Group—the Bank's principal research department (World Bank, 2016; Khemani, 2017; Habyarimana et al., 2018).

While the streams of work grouped together under the "corruption as a matter of power and politics" agenda differ with regards to their type and level of engagement, they share an interest in understanding and changing skewed power equilibria, either through political-economic analysis that reveals the degree of state capture, or through operational approaches aimed at fostering demand and collective action for good governance. Moreover, the streams of work pertaining to this agenda are affected by similar driving and limiting factors.

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[35] Author's interview with former World Bank staff member, June 2019.

[36] Author's interview with World Bank staff member, May 2019.

The leadership of certain groups of actors within the Bank is the main driving factor behind this agenda. Shortly after assuming the Bank's presidency in 1995, Wolfensohn elevated corruption and governance problems to center stage, setting a tone at the top that created space for analytical and operational work explicitly addressing these phenomena. Some of those centrally involved with this agenda have reported that over the years they have observed an evolution in their thinking about the central drivers of development from 'institutions matter' to 'politics matters'. The publication of the 1997 WDR thus constitutes an important milestone for this agenda as well because it endorsed the 'institutions matter'-paradigm as guiding principle for all Bank engagement. The 1997 WDR also reflected the emerging influence of new institutionalist thinking on the Bank's development discourse at the time. Among the contributors and reviewers of the 1997 WDR were the leading new institutional economists Douglass North and Dani Rodrik, as well as then-chief economist Joseph Stiglitz. The 1997 WDR was described by several interviewees as laying the foundation for the ensuing generations of the Bank's political economy work.[37]

With regards to operations, Wolfensohn empowered certain actors within the Bank and provided them with resources to advance the governance and anti-corruption agenda. He held retreats with country directors every other month to discuss governance and anti-corruption and to push operationalization. According to a former senior manager, in the early Wolfensohn years it was institutionally very attractive to incorporate governance and anti-corruption measures into country programs.[38] Also from a career point of view, engaging on these topics was seen as beneficial, particularly for people who were young and upcoming. The importance of high-level commitment was also recognized by proponents of this agenda when strategizing about ways to mainstream governance and anti-corruption concerns into Bank operations and concluding that "having champions across the Bank in every unit and in every sector is absolutely vital" (Teskey, 2010, p. 66). In addition to high-level support from Bank management, important impetus for this agenda came from the Bank's shareholders. In 2006, for example, the Board—which is comprised of representatives from shareholder countries—required the Bank to formulate a strategy on governance and anti-corruption. Furthermore, a number of shareholders supported the implementation of the GAC strategy with a designated trust fund—the GPF. As part of the implementation of the GAC strategy, the Political Economy Community of Practice was established in an attempt to facilitate knowledge sharing and institutionalize political-economic analysis. While the Community of Practice has still around 400 affiliated staff members it became relatively dormant in recent years which an interviewee attributed to a lack of "leadership that has a certain degree of informal authority and legitimacy in the Bank, to move this you can't just be technocratic"[39].

Factors limiting the "corruption as a matter of power and politics" agenda cluster around three main themes: the Bank's legal and policy mandate, the underlying financial model, and the organizational culture.

The Bank's legal mandate, as defined in the original Articles of Agreement, has been used as the main argument for avoiding any explicit discussion of corruption at the Bank until Wolfensohn came on board in 1995. Wolfensohn managed to lift the taboo by redefining the concept of corruption from a political to a social and economic issue (Wolfensohn, 1999). While this redefinition allowed the Bank to address corruption explicitly, the prohibition of considering the political dimension of the concept remained in force, preventing the Bank to seriously address dynamics of power and politics, which are often a root cause for corruption. The Bank's charter prohibits the interference in the political affairs of any member, and allows the Bank only to interact with borrowers through

[37] See Hudson & Leftwich (2014) for an in-depth discussion and critique of three generations of political economy work.
[38] Author's interview with former senior World Bank manager, May 2019.
[39] Author's interview with former World Bank staff member, June 2019.

certain government agencies.[40] In addition, the Bank's borrowers are also on its Board. The Bank's legal mandate thus restricts the organization's ability to credibly threat neo-patrimonial practices in member countries. The structure of the Board—providing seats to both donor countries that provide the Bank's capital and countries that borrow from the Bank—has resulted in incoherent policy mandates at times with regards to governance and anti-corruption. Paul Volcker, after conducting an in-depth review of the work of INT and the GAC strategy, stated that "the Board itself has been ambivalent […] as to whether they really want an effective anti-corruption program or not" (Guha & Callan, 2007, para. 4). Traditionally, donor countries have been more eager to push this agenda, primarily to be able to show to their constituencies that they are taking action against the misuse of funds. Borrower governments—particularly those that depend on politically corrupt practices—have been understandably less eager to support reforms that would subvert the neo-patrimonial nature of their regimes. More recently, however, Bank staff has reported an increase in demand for anti-corruption from borrowing countries—even if this demand is often centered around the issue of illicit financial flows to stem illegal movements of capital from developing to developed countries.

In an analysis of the Bank's role and ability to promote good governance, Thomas (2007) also finds that the Articles of Agreement as well as the structure of the Board are factors that limit the Bank's ability to pursue the governance and anti-corruption agenda effectively. Based on this finding, she goes on to consider the prospects of pursuing this agenda in the hypothetical case that the Bank is freed from these limitations—i.e., the provision prohibiting political interference is removed from the Bank's charter and that borrowers are not anymore represented on the Board. While such a scenario is not very likely to occur—nor desirable from a sovereignty and self-determination perspective—, even if it was, according to Thomas, a number of constraints would still remain. Among those remaining constraints, Thomas highlights the perceived lack of understanding of how good governance develops, which leads her to question whether the Bank (or any donor) could be suitable for pursuing this agenda at all (Thomas, 2007, p. 745). Since the publication of her article, research emerged that distilled theories of change from real-world examples of transitions to good governance, and informed donors, including the Bank (e.g., World Bank, 2017; Mungiu-Pippidi & Johnston, 2017). Another remaining constraint that Thomas mentioned, and which according to interviewees continues to limit the prospects of this agenda until today, is related to the Bank's underlying financial model and the internal incentives associated with it.

The Bank's underlying financial model—the structure of which has already been discussed in the previous section *4.2.2.*, pp. 29-30—has been a binding constraint on the Bank's ability to effectively pursue anti-corruption activities that address structural factors relating to power and politics. Anti-corruption activities pertaining to this agenda generally do not require large amounts of money and contribute little to sustaining the Bank's lending levels. A survey undertaken as part of a 2011 IEG evaluation found that almost half of Bank operational staff agreed that the Bank's lending imperative conflicted with its ability to pursue governance and anti-corruption goals (World Bank, 2011b, p. 180). The Bank's underlying financial model is built on making loans to client countries—as borrowing countries are referred to in Bank jargon. The strong incentive to build and maintain good relationships with client countries thus originates from the simple motivation of remaining operational and developing business. Country Management Units (CMUs), which are principally responsible for Bank dialogue with country governments, have occasionally been hesitant to propose the implementation of activities related to this agenda out of concern that it could jeopardize client country relationships or damage the carefully crafted image of the Bank as a neutral technocracy.

For example, in Guatemala, after an UN-backed anti-corruption commission was expelled by the government, the Bank was quick to seek meetings with lobbyists, parliamentarians, and govern-

[40] See Art. III, sec. 2 "Dealings between Members and the Bank" and Art. IV, sec. 10 "Political Activity Prohibited" of the Bank's Articles of Agreement (World Bank, 2012).

ment officials to convey impartiality and protect its operational portfolio in the country (World Bank, 2019b, p. 28). Incentives emanating from the Bank's underlying financial model have not only caused reluctance to discuss corruption as a matter of power and politics with clients externally, but also shaped the development of this agenda internally. The "lending imperative"—while for over two decades regularly bemoaned in internal Bank reports and external studies (e.g., World Bank, 1992; Fukuyama, 2006; Weaver, 2007; World Bank, 2011b)—has been reported to still impact staff behavior. For example, the current staff and management performance evaluations continue to reflect this emphasis on lending. Regarding the internal incentive system, an interviewee remarked that "if my performance is evaluated on the amount of money I disburse, then any type of capacity building or technical assistance, which lies at the core of any governance reform, is being penalized"[41]. Anti-corruption activities pertaining to this agenda—both analytical and operational—tend to be at odds with the lending imperative since they are usually less capital-intensive, but do require significant commitments of staff time. The Bank's internal incentive-to-lend-structure thus reduces staff's eagerness to integrate political economy analyses or social accountability mechanisms into operations.

From a financial point of view, most of the activities related to this agenda are "unfunded business lines" and therefore a drain on the Bank's resources. Most of the activities related to this agenda have been funded through temporary funding mechanisms, such as the GPF. When these sources of funding expired, however, the Bank has only rarely put permanent arrangements in place to sustain this type of work. Examples for activities that were discontinued due to—at least partly—a lack of funding include IGRs and Governance and Anti-Corruption Diagnostics (World Bank, 2019a, p. 94). More importantly, a major setback for this agenda was the dismantling of the World Bank Institute (WBI) in 2015. The WBI—which was the capacity building branch of the World Bank—pioneered innovative approaches to political economy analysis (World Bank Institute, 2010) and promoted collective action approaches to fighting corruption (World Bank Institute, 2008). Asked about the reasons for the closing of the WBI, a former WBI staff member said: "the rhetoric is that we're a knowledge Bank, but when you get to the decisions and pressure, the lending side wins the battle. Everything that isn't for lending and that isn't the Bank's core business gets sidelined or discontinued"[42]. This statement corroborates a 2011 evaluation of the Bank's work in governance and anti-corruption, in which "a tension […] between the Bank's lending imperative and its rhetoric on governance" is observed in that "the informal but operating rules of the game in the organization remain misaligned with the formal emphasis on good governance and accountability" (World Bank, 2011b, p. xi).

The third limiting factor of this agenda is the Bank's organizational culture. Among the internal factors distilled from the review of IO literature—see beginning of this section, pp. 20-21—, the 'organizational culture' of the Bank has been found to be particularly unfavorable to this agenda. An organization's culture, defined as "the rules, rituals, and beliefs that are embedded in the organization" (Barnett & Finnemore, 1999, p. 719), is heavily influenced by the professional background of its staff. While the Bank has evolved into an institution with global expertise covering a wide range of sectors and issues relevant to development, it remains principally staffed by economists. The background and skillset of Bank staff also influences their predisposed views on how to tackle corruption. While lawyers tend to have a predilection for punitive legal measures and economists for efficiency-enhancing preventive measures, political scientists are more inclined to support solutions that address power and politics. Since there are comparatively few political scientists, however, the organizational culture is biased towards the other types of approaches.

An example which indicates economists' high status within the Bank's organizational culture was the creation of the position of a 'chief institutional economist' instead of a 'chief political scientist'

[41] Author's interview with World Bank staff member, May 2019.

[42] Author's interview with World Bank staff member, May 2019.

in 2015. While the person recruited for the position was a political scientist by training and tasked with leading the Bank's research on governance and institutions, it seemed necessary that the title contained the word 'economist' to be taken seriously. Another feature of the Bank's organizational culture—likely linked to the dominance of the economics profession—is its quantitative bias. According to Weaver, at the Bank "considerable weight is given to economic and technical factors that are easy to identify and measure, whereas complex political and social risk assessments that involve 'soft' qualitative indicators are usually distrusted as unscientific" (2008, p. 86). Activities pertaining to this agenda, which aim to consider and, to the extent possible, address power asymmetries as an underlying cause of corruption, tend to pursue outcomes that are long-term, and often intangible, or at least difficult to quantify. The lack of easily quantifiable outcomes is a major hindrance in an environment like the Bank where most issues are subject to cost-benefit analysis. Other limiting factors linked to the organizational culture that surfaced in the analysis include risk aversion, work overload, and time pressure. While these other factors, which can probably be observed at most development agencies, affect the Bank as a whole, the perverse incentives arising from them are particularly detrimental to this agenda. Concerning time pressure, for example, the common practice of using one-year budgets creates pressure on Bank staff to disburse and show results quickly in order to avoid suffering budget cuts the following year (Ostrom, 2011, p. 32). In view of those incentives, Bank staff will think twice before pursuing activities pertaining to this agenda as they tend to neither include results indicators that are quickly attainable nor disburse large amounts of money.

The three themes discussed above—the Bank's legal and policy mandate, the underlying financial model, and the organizational culture—and the limiting factors related to them appear to hold most explanatory power for the trajectory of this agenda at the Bank. Most of them are structural and hence by nature difficult to transform—if that is at all desired. A non-structural factor that should be mentioned when discussing factors limiting this agenda is organizational learning. Interviewees have pointed to two comprehensive IEG evaluations of the Bank's work in governance and anti-corruption that have affected this agenda in particular. One is a 2006 evaluation which found that "community-driven approaches are useful for getting funds to people but appear unable to stem corruption" (World Bank, 2006b, pp. 10-11). The other one is a 2011 evaluation that lamented that the increased resources devoted to governance and anti-corruption in the realm of implementing the 2007 GAC Strategy did not translate into improved project outcomes. On political economy analysis, the evaluation noted that the operational benefits of political economy reports "were often limited by an overly academic orientation, uneven methodological rigor, and a lack of consistency between recommended actions and prevailing interpretations of the Bank's Articles of Agreement" (World Bank, 2011b, p. xvi). While the impact of organizational learning on this agenda is difficult to assess, it appears that it did affect specific parts of this agenda such as the prevalence of community-driven approaches, but that it had a comparatively minor impact on the agenda as a whole.

To sum up, the "corruption as a matter of power and politics" agenda, which encompasses a broad range of activities that are built on the assumption that power and politics play a central role in development outcomes, has fluctuated in its significance over the twenty-year period examined in this paper. The agenda peaked in the early 2000s due to high-level commitment from Bank leadership and again around 2007 when a number of shareholder countries provided additional funding that was earmarked to be used for good governance and anti-corruption work. Major constraints impacting the evolution of this agenda include incoherent legal and policy mandates, the underlying financial model, as well as the organizational culture. New impetus for this agenda was given by recent reports highlighting the importance of considering power asymmetries and state capture in development policy making. It remains uncertain, however, if this new impetus will be forceful enough to prevail over the constraints and lead to considerations of power and politics being translated into programming.

5. CONCLUSION

Anti-corruption has come a long way at the Bank from prohibition to prominence, as this paper has detailed. The compilation of an inventory of anti-corruption activities served to illustrate trends with regards to frequency, type, and regional distribution. Anti-corruption peaked between 2003 and 2007, when on average about 100 new anti-corruption activities were approved each year. The vast majority of anti-corruption activities were of non-lending type—i.e., technical assistance, trainings, and analytical work. The regional distribution was similar to the pattern of overall Bank engagement, with the largest share of activities being focused on the Africa region.

Furthermore, the paper attempted to shed light on the factors driving and limiting the Bank's anti-corruption programming. To this end, the potential impact of a number of external country-level factors on the allocation of anti-corruption activities was assessed. Results indicate that among the external factors studied, only a country's level of corruption is significantly associated with the number of anti-corruption activities allocated. The lack of correlation of the variable of interest with the other variables suggests that internal organizational-level factors hold more explanatory power for the evolution of the Bank's anti-corruption programming. The subsequent qualitative analysis of internal factors distinguished three agendas operating under the anti-corruption label by its underlying conceptualization of corruption and theories of change. Each agenda has its *raison d'être*, fulfilling different and complementary functions in the Bank's anti-corruption work, and is affected by internal factors to varying degrees.

While the agendas conceptualizing corruption "as a crime" and as a "matter of public administration" fit the Bank's *modus operandi* and incentive structure for the most part, the "corruption as a matter of power and politics" agenda is faced with several institutional constraints. Three stood out among them: incoherent legal and policy mandates, incentives emanating from the underlying financial model, and an economistic organizational culture. Despite being prominently featured in recent flagship reports, the perspective in which corruption is understood as driven by power and politics has rarely been operationalized due to these limiting factors. Effective operationalization of this perspective requires increased awareness of institutional binding constraints and, if necessary, taking adequate countermeasures such as institutionalized high-level support and stable financing arrangements. If the Bank is to close the gap between rhetoric and action on state capture corruption, it needs to pro-actively integrate theories of change that are grounded in an understanding of local power and politics into the design of new operations. The successful implementation of the Bank's renewed strategic and operational approach to anti-corruption—which is currently being developed—will thus hinge on its ability to acknowledge and counterbalance the existing institutional binding constraints.

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ANNEXES

Annex I

List of Interviewees

Name	**Active at Bank**	**Position Title** (highest while at the Bank)	**Interview**	**Length** (min)	**Recording**	**Confidentiality**
Anonymous	since 2001	Practice Manager	in person (5/30/19)	45	Audio	Confidential
Anonymous	since 2002	Lead Public Sector Specialist	in person (5/28/19)	30	Audio	Confidential
Anonymous	1981-2004	Director for Southeast European Countries	in person (5/13/19)	60	Audio	Confidential
Anonymous	1989-2012	Head of Governance and Anti-Corruption Secretariat (2007-2010)	in person (6/4/19)	50	Audio	Confidential
Anonymous	1976-2006	Regional Vice-President, Country Director	over phone (5/23/19)	45	Audio	Confidential
Anonymous	since 1998	Lead Public Sector Specialist	in person (5/29/19)	60	Audio	Confidential
Anonymous	since 1998	Lead Public Sector Specialist	in person (5/29/19)	60	Audio	Confidential
Anonymous	since 2000	Lead Public Sector Specialist	in person (5/16/19)	60	Audio	Confidential
Anonymous	since 2009	Senior Public Sector Specialist	in person (5/17/19)	50	Audio	Confidential
Anonymous	since 2011	Senior Public Sector Specialist	in person (5/28/19)	50	Audio	Confidential
Anonymous	since 2009	Senior Public Sector Specialist	in person (5/30/19)	50	Audio	Confidential
Anonymous	since 1998	Lead Social Scientist	in person (6/3/19)	60	Audio	Confidential
Peter Eigen	1968-1990	Regional Director	in person (8/20/19)	60	Audio	On record
Anonymous	1994-2014	Lead Research Economist	in person (5/24/19)	45	Audio	Confidential
Anonymous	since 1999	Practice Manager	in person (5/30/19)	30	Audio	Confidential
Anonymous	1985-2012	Director of Operations, Country Director	in person (5/22/19)	60	Audio	Confidential
Anonymous	since 2007	Senior Public Sector Specialist	over phone (5/28/19)	30	Audio	Confidential
Anonymous	1975-2007	Director of International Affairs and Operations, Country Director	over phone (6/3/19)	50	Audio	Confidential

Annex II

Research log for creating World Bank Anti-Corruption Activities Dataset (1996–2016)

The following steps were taken to compile the inventory of World Bank anti-corruption engagement.

(1) Identification of semantic proxies for corruption:

a. On April 12, 2017, a query was run in the World Bank's Operations Portal (version 2.0) using the keyword "corruption" delimiting the query to only search projects' Project Development Objectives (PDO) and Results. The query yielded 853 entries of which 144 were classified as lending operations (i.e., Investment Project Financing/IPF; Development Policy Financing/DPF; Program-for-Results Financing/PforR). 25 projects were randomly selected out of the 144 entries (sampling universe for randomization[43]) and key project documents (mostly project appraisal documents/PADs and implementation completion and results reports/ICRs) examined individually to identify euphemisms for corruption. In addition, 341 prior actions that were classified under the theme "Other accountability/anti-corruption" in the Development Policy Actions Database (DPAD) were examined with the same objective.

b. A list of 32 directly and 77 indirectly related terms to 'corruption' was derived from the analysis described above. Find list of directly related terms below:

Table 3: List of semantic proxies for corruption

Anti-asset laundering	*Conflict-of-interest*	*Fraud*
Anticorruption	*Control of corruption*	*Giftgiving*
Anti-corruption	*Corrupt*	*Illicit enrichment*
Anti-fraud	*Corrupt practices*	*Integrity*
Anti-money laundering	*Corruption-free*	*Internal misconduct*
Arbitrary and discretionary behaviors	*Corruption-related problems*	*Mismanagement of public funds*
Asset declaration	*Counter-corruption*	*Misuse of public funds*
Asset and income declaration	*Crimes against public finance*	*Money laundering*
Assets declaration	*Declarations of income and assets*	*Procurement code of ethics*
Bribery	*Discretionary powers*	*Whistle blowers*
Conflict of interest	*Ethics*	

(2) Search query was conducted using list of corruption euphemisms:

a. On May 4, 2017, a separate search query was conducted in the Operations Portal (Version 1.0) search engine for each of the 32 terms listed above. Those 32 queries combined yielded a total of 9,921 results[44] (including duplicates) from a universe of 116,955 activities (i.e., all World Bank activities from 1996 to 2016). 4,879 unique activities containing at least one of the search terms in its metadata remained after filtering out duplicates.

(3) Relevant activity information was added to the dataset:

a. The list of 4,879 activities was saved in an excel file and the following corresponding

[43] Randomization was done in Excel using the =(RAND) formula.

[44] The 9,921 results stem from 17 terms. The searches for the other terms did not yield any results. Also, the term 'integrity' was excluded since it yielded over 12,000 results which also included results containing references to terms like 'Integrated', 'Integral' etc. There might also be some other false positives, however that number is not likely to be very high.

attributes were added:

i. *Project Development Objective (PDO) and Project Component*. Using an R code which accesses a database of PDOs and Project Components (created by the Operations Solutions Unit/ITSOP for the Internal Evaluation Group/IEG), these attributes were added for each activity as per their availability.
ii. *Abstract*. Using an external application programming interface (API)[45], abstracts were added for each activity as per their availability.
iii. *Indicators*. Using access to the ITSOP database, indicators were added for each activity as per their availability.
iv. *Sector and Theme*. Using the WB API[46] for sectors and themes, the up to 5 major sectors, sectors (and their %), major themes, themes (and their %) were added to the database for each activity.

(4) The dataset was filtered for all activities that confront corruption explicitly:
   a. The list of 4,879 activities was filtered for activities that explicitly confront corruption.
   b. An activity is considered to be explicitly about corruption if at least one of the following criteria is met:
      i. The "Other accountability/anti-corruption" theme % is greater than or equal to 30.
      ii. The word 'corruption' or a semantic proxy is mentioned in the title.
      iii. The word 'corruption' or a semantic proxy is mentioned in the components.
      iv. The word 'corruption' or a semantic proxy is mentioned in the project development objectives.
      v. The word 'corruption' or a semantic proxy is mentioned in the abstract.
      vi. The word 'corruption' or a semantic proxy is mentioned in the indicators.
   c. Applying the above filters yielded a list of 1,035 activities (including activities approved between 1996 and 2016 only and excluding dropped activities) that explicitly confront corruption.

(5) Stolen Asset Recovery Initiative (StAR) activities were added to the dataset:
   a. A list of 120 StAR activities was merged with the dataset resulting in 44 additional activities. The remaining 76 were not added either because they were already included in the master dataset or they were considered to be non-relevant (e.g., scoping missions to non-IBRD countries).

(6) The final dataset contains 1,079 World Bank activities that deliberately confronted corruption between 1996 and 2016.
   a. The dataset was successfully tested for completeness by checking whether it captured a number of anti-corruption activities that World Bank staff had indicated as being deliberate anti-corruption activities.
   b. Despite the rigorous method applied to identify anti-corruption activities, it should be noted that the degree to which activities included in the dataset are about anti-corruption might vary considerably. For example, one activity might be 100% about anti-corruption because it has the sole purpose of creating an anti-corruption agency, while another activity might only be 35% about anti-corruption because only one component supports anti-corruption measures.

[45] http://search.worldbank.org/api/v2/projects
[46] http://reports.worldbank.org/BIDATAINFOMATICS/APISubListing.jsp?domain=Project