THE POLITICS OF THE WORLD BANK’S
SOCIO-INSTITUTIONAL NEOLIBERALISM

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BA (Honours)

This thesis is presented for the degree of Doctor of Philosophy of Murdoch University

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I declare that this thesis is my own account of my research and contains as its main content work which has not previously been submitted for a degree at any tertiary education institution.

Toby Carroll
Abstract

This thesis analyses the so called post-Washington consensus (PWC) and the role of the World Bank in its promotion and implementation. It argues that the PWC represents the promotion of a new form of neoliberalism – socio-institutional neoliberalism (SIN) – which stems from the conflict and contradiction associated with the Washington consensus based around earlier neoliberal prescriptions such as fiscal discipline, trade liberalisation and privatisation. While seeking the continued extension of liberal markets attempted by proponents of the Washington consensus, SIN rigorously specifies the institutional elements that neoliberals now see markets requiring. It stipulates a particular state form and even allocates roles to specific social institutions. Vitally, SIN is not just about policy content. Indeed, it is an attempt to shape the very environment through which policy can be contested. To this end, SIN includes important delivery devices and political technologies to aid with embedding reform, in an attempt to resolve one of the major problems for the Washington consensus: insufficient progress in reform implementation.

SIN is highly political in terms of its ideological commitments, the policy matrices that these commitments generate and the processes by which the implementation of reform is attempted. As a political programme, SIN seeks nothing less than the embedding of a form of governance that attempts to contain the inevitable clashes associated with the extension of market relations. While this attempt at extending market relations inextricably links the Washington consensus with the PWC, it is the substantive efforts and new methods associated with the latter to deliver and deeply embed policy which make it distinct.

Yet SIN continues to face differing degrees of acceptance and resistance in the underdeveloped world. Here it is essential to consider internal Bank dynamics, relations between the Bank and member countries, and the various alliances and conflicts within these countries and their involvement in either promoting or resisting SIN reform. A feature of this thesis is the analytical framework that allows systematic consideration of these diverse political dynamics. Crucially, the reality of such political dynamics means that there is often a significant gap between what the World Bank promotes and what occurs on the ground.
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Abbreviations

ADB  Asian Development Bank
ASEM  Asia-Europe Meeting
AusAID Australian Agency for International Development
BAPPENAS *Badan Perencanaan dan Pembangunan Nasional* (Indonesian national development agency)
BWP  Bretton Woods Project
CAS  Country Assistance Strategy
CDF  Comprehensive Development Framework
CDP  Country Development Partnership
CDP-E  Country Development Partnership – Environment
CDP-F  Country Development Partnership – Finance and Corporate Competitiveness
CDP-G  Country Development Partnership – Governance
CDP-PAM  Country Development Partnership – Poverty Analysis and Monitoring
CDP-SP  Country Development Partnership – Social Protection
CGI  Consultative Group on Indonesia
CPIA  Country Policy and Institutional Assessment
CSN  Country Strategy Note
CSO  Civil Society Organisation
DGF  Development Gateway Foundation
DOE  Department of Employment (Thailand)
ESAF  Enhanced Structural Adjustment Facility
EU  European Union
GDP  Gross Domestic Product
GMA  Gloria Macapagal-Arroyo
GOI  Government of Indonesia
GTZ  German Technical Cooperation
HIPC  Highly Indebted Poor Country
HPAEs  High Performing Asian Economies
IBRD  International Bank for Reconstruction and Development (World Bank)
IDA  International Development Association (World Bank)
IFC  International Finance Corporation (World Bank)
IFI  International Financial Institution

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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>INFID</td>
<td>International NGO Forum on Indonesian Development</td>
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<td>IPG</td>
<td>International Public Good</td>
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<tr>
<td>I-PRSP</td>
<td>Interim Poverty Reduction Strategy Paper</td>
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<td>JBIC</td>
<td>Japan Bank for International Cooperation</td>
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<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<tr>
<td>KDC</td>
<td>Knowledge Development Center</td>
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<td>KDP</td>
<td>Kecamatan Development Program</td>
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<tr>
<td>LGU</td>
<td>Local Government Unit</td>
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<td>LLI</td>
<td>Local Level Institution (studies)</td>
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<td>MCA</td>
<td>Millennium Challenge Account</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MFO</td>
<td>Multilateral Financial Organisation</td>
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<tr>
<td>MIGA</td>
<td>Multilateral Investment Guarantee Agency (World Bank)</td>
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<td>MOF</td>
<td>Ministry of Finance (Japan)</td>
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<td>MTPDP</td>
<td>Medium-term Philippine Development Program (Philippines)</td>
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<td>NEDA</td>
<td>National Economic Development Authority (Philippines)</td>
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<td>NGO</td>
<td>Non-governmental Organisation</td>
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<td>NIE</td>
<td>New Institutional Economics</td>
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<td>PAD</td>
<td>Project Appraisal Document</td>
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<td>PID</td>
<td>Project Information Document</td>
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<tr>
<td>PRGF</td>
<td>Poverty Reduction Growth Strategy</td>
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<tr>
<td>PRSC</td>
<td>Poverty Reduction Support Credits</td>
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<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<tr>
<td>PWC</td>
<td>post-Washington Consensus</td>
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<td>SDN</td>
<td>Social Development Network (World Bank)</td>
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<td>SDU</td>
<td>Social Development Unit (World Bank)</td>
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<td>SIN</td>
<td>Socio-institutional Neoliberalism</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>VIP</td>
<td>Village Infrastructure Project</td>
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WDR     World Development Report
WTO     World Trade Organization
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