duction, and poverty; they also generated analyses of barriers to change, the workings of societal institutions, and the status of natural resources. Staff began to focus their energies on these economic missions as in-country economic analysis and formal policy discussions with borrowers and other key development agencies became part of their regular mission activity.

GAUGING CHANGE

To see how much the Bank changed under McNamara, it is useful to compare the pre-McNamara Bank with the Bank that emerged after he took control. In the 1960–65 World Bank annual report, the greatest problem cited for the Bank in its early years was a lack of demand: "The principal limitation on the Bank’s rate of lending has been the limited number of projects or programs presented to it, which were ready for financing and execution. The studies and analyses needed to prepare a project or program are often beyond the capacity of many less developed countries because of the local shortage of experience and of trained personnel" (World Bank 1965, p. 6).

To resolve this problem, the Bank’s third president, Eugene Black (whose term ran from July 1949 to January 1963), established a Development Services Department and Development Advisory Service that offered advice and technical services in the preparation of loan applications (World Bank 1949). In 1963, the Bank loaned $802.5 million. Electric power accounted for more than half of the total, with Argentina, Australia, and Mexico receiving the largest loans. Transport, mainly highway construction (an obsession of U.S. industry), comprised the second largest category, with loans going to Japan, Costa Rica, Mexico, Peru, and Venezuela, a smaller portion was invested in railways in South Africa and India; and the smallest portion was lent for port projects in India and the Philippines. The only loan for agriculture, for $6.4 million, went to Kenya, for land settlement costs.

Most of the technical assistance in 1965 was directed toward very specific pre-loan project assessments, such as a study for a bridge over the Hooghly River in Calcutta, a study of feeder roads in northeast Nigeria, and a mineral survey in Surinam. A Bank mission helped Spain set up a development program, and two-man advisory teams were posted in Chile, one in Nigeria, and a few were assisting Thailand and Pakistan on development investment strategies. One hundred and forty-three government officials attended the Bank’s Economic Development Institute (EDI) 14-week course in project development and management. The courses were held in English, with an experimental course introduced in French, and one under consideration in Spanish. Four hundred book libraries were dispatched to ninety-three different sites in developing countries.

In 1965, a typical Bank loan was described in this way:

South Africa/Railway Loan
($50 million, 10-year 5.75% loan)

This loan will help to meet the current investment requirements of a large program of railway expansion and modernization of the South African railways and harbours. Administration has been carrying out since 1947. Earlier Bank loans totaling $156.8 million assisted the program, and the new loan will cover part of the foreign exchange requirements for 1961–65. About 80% of the mining and industrial freight of South Africa goes by rail.
and further investment in the railways is essential to economic growth. The current expansion program involves an increase in capacity, the elimination of traffic bottlenecks and progressive dieselization.

Participating: The New York Agency of Barclays Bank D.C.O: Girard Trust Corr Exchange Bank, Philadelphia; Morgan Guaranty Trust Company of New York; Bank of America, San Francisco; the New York Agency of The Bank of Montreal; Fidelity-Philadelphia Trust Company; the First Pennsylvania Banking and Trust Company, Philadelphia; and The Riggs National Bank of Washington, D.C., were among the banks participating in the loan for a total of $1,966,000. (World Bank 1962, p. 18)

For technical assistance, the following description was quite common:

**British Guiana:** The Bank is acting as executing agency for the UN Special Fund project to survey the bar situation and erosion problems at the port of Georgetown. The field study has been completed and the consultants' report is in preparation. (World Bank 1962, p. 28)

Whereas in 1962, the Bank committed just under $900 million in new loans for 29 projects in 19 countries (World Bank 1962), twenty years later, it was committing $8.8 billion in support of 140 projects in 90 countries (World Bank 1982b). By 1981, when McNamara retired, projects, and the language to describe them, had changed completely. The Bank was no longer simply providing its clients with money for large-scale infra-

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structure; it was now training staff, supporting local research facilities, and doing "integrated rural development" as part of its mission, as the following project descriptions indicate:

**Brazil: Ban**—$50 million. To assist the country's national agricultural research agency in expanding its current research programs and to support several new programs, funds will be provided to train scientific manpower and upgrade existing research facilities. Technical assistance is included. Total cost: $150.1 million. (World Bank 1982b, p. 99)

**Brazil: Ban**—$36 million. About 60,000 farm families and more than 1,000 small-scale entrepreneurs will benefit from a second rural development project in the northeastern state of Ceara that includes agricultural extension services, development of co-operatives, assistance to small enterprises, construction of feeder roads, marketing facilities, and irrigation systems, and education, health, and sanitation services. Co-financing ($35 million) is being provided by IFADS. Total cost: $83.2 million. (World Bank 1982b, pp. 99–100)

**Cameroon: Ban**—$25 million; IDA—$12.5 million. The incomes of 163,000 farm families living in a northern province will be increased through improved rural infrastructure, effective extension and credit services, training, and research. In addition, financial and technical assistance will be extended to local agencies to plan, monitor, and evaluate a wide range of rural development activities. Total cost: $66 million. (World Bank 1982b, p. 100).
The definition of development's beneficiaries also changed substantially as the Bank's annual reports became a discourse tool intended for a broader—and more public—audience. Rather than emphasizing the economic benefits that would flow to Northern firms and investment banks as these entities supplied hardware, technical support, and financial services for projects through the procurement process, the focus shifted to the various civil-society "beneficiaries" of the development process: for example, the "160,000 farm families" who would be affected by a loan to Cameroon; the local officials, agroonomists, and researchers who would receive "scientific manpower" training through various Bank projects; and the research facilities that would be established or upgraded with World Bank capital (World Bank 1988b). In the McNamara years, it became inappropriate to highlight the Northern beneficiaries (that is, Northern finance capital) in the loan description itself; in their place were development's new clients—the third world poor. Overall, these were not mere rhetorical changes designed to satisfy a discerning left-Keynesian political elite in the North. Rather, they were changes with deep meaningful and material consequences.
Sowing the Seeds of Bank Power

World Bank power grew remarkably during the McNamara years in ways that have now become commonplace to the world of development and, more generally, North-South relations. Few today would think twice of calling upon U.S. experts to offer their know-how to African or Indian farmers after a bad harvest. The ease with which such information can be transferred reflects the Bank’s success during the 1960s in creating both the worldwide institutional structure and the discursive formations to make such ideas realistic and workable. Part of that institutional structure included the facilities erected to assist the transfer of green revolution seeds and technologies to major borrowing countries. The World Bank helped bring the green revolution to the South by offering substantial institutional support to state ministries, credit banks, and research centers, and loans for heavy infrastructure, such as dams, power plants, irrigation systems, and agro-industrial factories.19

In boosters like Lester Brown (currently director of the Worldwatch Institute), the green revolution bore “witness to the fact that careful evaluation, sound scientific and economic planning, and sustained effort can overcome the pathology of chronic under-production . . . A formula for success can be designed for any area that has available the new adapted plant varieties and the other inputs and accelerators that must be applied in logical fashion” (Escobar 1995, p. 196). In practice, the poor’s pathologies were defined in relation to the technological innovations occurring at international agricultural research institutes and agro-industrial corporations.20 Development planners, meanwhile, began to intuitively “know” that villagers have certain habits, goals, motivations and beliefs.

According to Stacey Pigg, an anthropologist working in Nepal, “the development experts, the ‘ignorance’ of villagers is not an absence of knowledge . . . [but] the presence of too much locally-instilled belief” (Pigg 1993, pp. 17, 20). By the 1960s, “miracle seeds” were followed into the third world village by an entire power/knowledge complex based on a specific type of elite knowledge production. This became the terra firma on which the World Bank’s hegemony was constructed. The idea of a green revolution became world-significant primarily because of the size of the World Bank’s financial support, and the new breadth of its development assistance network.

As McNamara sent his staff into the field demanding that they come back with both solid data and projects in hand, the Bank generated its own transnational demand for information about the conditions of the rural poor, transforming the previously imperceptible millions into visible objects of development. McNamara was dissatisfied with the pace of collecting information. He wanted data collection to match the fast-paced cycle of the Bank’s loan approval process (Kapur, Webb, and Lewis 1997). To expedite and legitimate new loans, McNamara created his own knowledge-generating machinery by adopting two Rockefeller Foundation-funded research centers in Mexico and the Philippines, from which he created the multilateral research network called the Consultative Group on International Agricultural Research (CGIAR). With a growing number of Bank-supported research campuses around the world, the CGIAR quickly became “one of the greatest successes in the annals of development promotion” (Kapur, Webb, and Lewis 1997, p. 401). Eventually, there were sixteen institutes comprising the CGIAR system. Through them, green revolution technologies swept the South. In 1965, innovative semi-dwarf varieties of wheat covered less than one-tenth of
percent of the total area planted in wheat in developing countries. By 1983, 50 percent was planted with CGIAR-promoted green revolution wheat, with 80 percent of the total area for wheat in Latin America and India under CGIAR varieties. For rice, by 1983, almost 50 percent of total area in developing countries was planted with semi-dwarf varieties, with China planting 95 percent, India, 54 percent, and the rest of Asia, 40 percent (Baum 1986, pp. 283–4).

Over the first twenty-five years of its existence, the Bank's CGIARs trained approximately 50,000 scientists, many of whom subsequently took up prominent positions as ministers of state, agriculture, and finance (Baum 1986), as well as CEOs and research directors for major multinational firms (World Bank 1993). This global research enterprise represented a marked change from the early World Bank, which in 1961 had only twelve professionals working on agriculture, most of whom were experts in drainage and irrigation (Kapur, Webb, and Lewis 1997). During the McNamara years, the Bank's agriculture divisions could not hire staff fast enough (Kapur, Webb, and Lewis 1997).

As the Bank reinvented the professional landscape in which the international agricultural scientist worked into one flush with financial and political rewards, this science-industry-government network enabled the Bank to overcome the historic skepticism of capital markets to invest in rural production. With its huge spillover effects on industry (e.g., energy, fertilizer, chemical pesticides, synthetic seed, farm machinery), the Bank's green revolution became extremely lucrative for its Northern clients. The Bank and its bilateral aid partners created agricultural universities and research and policy centers throughout the South to direct the trajectory of this development (Anderson, Levy, and Morrison 1991; Anderson et al. 1982; Stackman 1987; Wright 1990). These prominent national institutes attracted development dollars and university exchanges with American land-grant institutions (e.g., the Universities of Illinois and Iowa) and economic and law departments (e.g., University of Chicago), helping to "Americanize" agro-food systems, property-right traditions and statutes, and trade and investment laws in the Bank's borrowing countries (DeBartolo and Garth 2002).

Overall, the Bank under McNamara took Norman Borlaug's miracle seeds and used them to expand its lending portfolio in many different directions: large dams to electrify and irrigate industry and agriculture, mining and factories for faster-based capital goods, transportation; the development of market towns, and basic education and primary health in the countryside to facilitate the green revolution. But the rapid growth of the Bank's loan portfolio, associated with this and its other endeavors, eventually led to crippling effects in the South: high external debt, loss of diverse food production, land enclosures that displaced millions of peasants, the dollarization and Americanization of food production, and plummeting food prices due to a worldwide glut in agricultural commodities, for example, U.S. wheat dumped on the world market (Bonanno 1990; Friedman 1982; Wright 1990). Because of highly imbalanced terms of trade, McNamara's "end poverty" decade ended with a highly indebted South and a highly stratified farming system. With the devastation of local systems of food production and the triumph of export-oriented production, the South became a net importer of foods from the United States and Europe. None of these changes solved the problems of development or significantly reduced absolute poverty. Instead, poverty grew as a result of the Bank's development industry.
Although highly profitable for foreign investors, the new development regime was too costly for borrowers who did not have the resources to repay the large Bank loans. Combined with the collapse of world food prices and the spike in oil prices, trouble loomed. While the Bank's newfound large capital assets allowed it to expand beyond its wildest dreams, it also fueled a mounting debt crisis amongst its borrowers.

Debt and Structural Adjustment

The Bank's long string of loans helped fuel a dramatic increase in the South's foreign debt, which grew at an average annual rate of 20 percent between 1976 and 1980 (McMichael 2004; Mosley, Harrigan, and Toye 1991; Toussaint 1993). By the 1980s, much of what the World Bank was lending did not go for bricks and mortar, seeds and tractors, or even research and training; most went to pay the interest on national budget deficits (Mosley, Harrigan, and Toye 1991; World Bank 1986). The twin effects of massive borrowing for rural industrialization and the linking of Southern food and agricultural sectors to the consumption of Northern-based capital goods and farm inputs, contributed heavily to the net flow of capital out of the South and into the North.

Although the impending debt crisis could have toppled the World Bank's stance in the world, the opposite occurred. Because of the vulnerable position of its borrowers and its unique role as development master, the Bank positioned itself as one of the major transnational institutions that could manage the process of debt restructuring. Despite its deep-seated entanglement in the roots of the debt crisis, the Bank emerged from the era, quite unexpectedly, as the newly anointed global arbiter of debt relations between the North and the South (Gowan 1999; Helleiner 1994; Kapstein 1994).

Ideally, countries could have repaid their development loans from revenues generated from the commodities produced from dams, power plants, and seeds, but the world-market prices of many of the goods produced with Bank financing had plummeted (George and Sabelli 1994). Many key commodities that the Bank assiduously promoted for production across the South were being replaced by commodities produced in the North, such as corn syrup for sugar, glass fiber for copper, soy oils for tropical oils, and synthetic alternatives to rubber, cotton, jute, and timber (McMichael 2004). By 1986, third world debt had risen to $1 trillion and countries were borrowing large amounts from the Bank and IMF just to service the interest on their old loans. Many African countries were forced to use all their export earnings to service their ballooning debts.

One of the most significant effects of the debt crisis was the dramatic shift in power that took place among borrowing states and the World Bank and IMF. As soon as these sibling institutions assumed control of countries' foreign debts, they required governments to reorganize and resist their economies. In particular, they pushed them to produce for export rather than to produce for domestic needs, to reduce trade barriers and tariffs, and to open up key public sectors for international competition (i.e., telecommunications, electricity and mining, manufacturing, insurance, banking, and transport). As private lending dried up, governments succumbed to these pressures and dramatically cut their spending on health, education, and welfare in order to comply with the new conditions placed on World Bank and IMF loans.

The ensuing era of structural adjustment was supposed to have been a short-lived "shock" that would help countries adjust to the oil price hike and ride out a two-to-three-year period of economic restructuring, after which liberalized trade
relations between North and South would kick in to draw capital to structurally adjusted countries (Dasgupta 1998). Instead, shock therapy became a never-ending cycle of large debt-serving loans and additional policy requirements that further destabilized borrowers. By 1987, rather than having a net outflow of capital, the Bank had a net inflow and received far more from its borrowers in the form of loan repayments than it was lending (Dasgupta 1998; Mosley, Harrigan, and Toye 1991). By the late 1980s, UNICEF reported that World Bank adjustment programs were responsible for the "reduced health, nutritional, and educational levels for tens of millions of children in Asia, Latin America, and Africa," resulting in a "lost decade" for many of the Bank’s borrowers (Cornia 1987).

This lost decade for many countries affected Northern interests as well, which only served to deepen the Bank’s involvement and commitment to resolving the crisis. For instance, in 1982, U.S. banks had almost half their capital in Mexican loans at a time when Mexico built up $80 billion worth of debt and became unable to pay off its loans (McMichael 2004). To avert a catastrophe, the World Bank and IMF bailed out overextended Northern banks and investors while forcing a much more interventionist structural adjustment regime on Mexico. In only ten years, Mexico took out thirteen adjustment loans from the Bank and six adjustment agreements with the IMF that completely revamped the Mexican state and economy, eliminating food subsidies, rural public agencies, national food security systems, and state-owned food monopolies (McMichael 2004). Yet commercial banks made windfall profits in Mexico ($500 million) and, under similar circumstances, in Brazil ($1 billion) (Peet 2003, p. 76). By 1989, most new loans across the global South were adjustment loans and a debt-ridden post-Soviet empire had joined the ranks of the borrowers. The Bank’s adjustment regime had definitively become global.

With the debt and structural adjustment crises, the Bank reformulated the post-1969 question of democratization and governance, and the green-revolution-era concerns with redistribution and equity, into the neoliberal question of the freedom and sovereignty of capital. The World Bank, IMF, and WTO provoked a global mercantilist state of mind that eclipsed alternative regional and national politics. If the green revolution transformed North-South relations at the point of production, giving rise to a new global agro-food system, then the structural adjustment era affected relations at the point of social reproduction, reconfiguring the way in which states and citizens interact, in what can be called the "government of the social" (Polanyi 1957). Spearheaded by the Bank, these overlapping regimes of development—poverty alleviation and structural adjustment—only deepened and expanded World Bank power over borrowing countries, intensifying McNamara’s mission beyond his wildest dreams.

These overlapping regimes also reflected a major shift at the Bank and in Washington, as part of the Reagan-Thatcher neoliberal revolution, as well as multiple shifts in many other countries where neoliberal agendas have hatched. Soon after President Reagan selected A. W. Clausen (president of Bank of America) as the World Bank president, Clausen cleaned house of the Bank’s “redistribution with growth” advocates. First he fired McNamara’s chief economist, Hollis Chenery, a world-renowned innovator, and replaced him with Anne Krueger, the Milton Friedman neoliberal. Krueger’s intellectual contribution to the field of development economics was the argument of the “rent-seeking” state as a significant drag on economic growth in the third world (Dezalay and Garth 2002; Kaputin...
that obliged them to compete with the world's lowest wages (McMichael 2004).

The Bank's neoliberal turn was supported by a whole network of policy elites based in Washington, as well as professional lawyers, economists, business leaders, and technocrats in capitals like Santiago and Mexico City, working in a variety of state and nonstate institutions (e.g., universities, the legal system, the private sector, even human rights agencies) and pursuing their own national agendas (Babb 2001). As a consequence, the neoliberalism that evolved in Venezuela looked markedly different than that which emerged in Chile, and both had little resemblance to the prototypes mapped out in Washington. As Yves Dezalay and Bryant Garth brilliantly document, the roots of the idea of the "neoliberal revolution" can be traced through these traveling elites and their institutions of training and work, constituting a North-South institutional network of neoliberal "technopolis" (Dezalay and Garth 2002). The production of actually existing neoliberalism was (and remains) a transnational dialectical process, a product of tension, struggle, and negotiated compromise among the World Bank, IMF, powerful bankers and political elites, and scores of actors working in corporations, governments, and professional societies around the world. Under the leadership of the World Bank, one significant strand that has emerged from these transnational institutional practices is green neoliberalism.

Tensions between the Green and the Neoliberal

After decades of being ignored and dismissed, and after working diligently to create a milieu in which there would be few alternatives to its rules, the World Bank of the 1980s found itself
firmly at the helm of the world of development. Yet the two transnational institutions in charge of the debt crisis, the World Bank and the IMF, did not have much time to celebrate. As economies crashed and people took to the streets, both institutions became the focus of scorn, anger, and frustration. No longer was the World Bank seen as a dispassionate expert offering technical advice at a distance. Instead, it was blamed for reduced public spending; mass unemployment; currency collapse; rising prices for food, fuel, and other goods; and falling wages and export prices. At the precise moment that the Bank belated itself into the driver's seat, many of its client governments were on the verge of collapse.

Adding to these pressures was a series of high-profile activist campaigns directed at revealing and reversing the negative social and environmental effects of Bank projects. The image in the North of the happy recipients of Bank aid—the “objects of development”—was sabotaged as rural peasants and urban laborers began a series of bread riots and project protests, including mass marches and fasts to dramatize their discontent with the World Bank and its policies. In the mid-1980s, activists “beyond borders” began to organize to increase the effectiveness of their protests (Fox and Brown 1998; Fox and Thorne 1997; Keck and Sikkink 1998; Smith, Chatterfield, and Pagnucco 1997); such that the Bank’s policies and practices in the most remote areas of India, Brazil, and Indonesia became front-page news in the North and were the topic of significant parliamentary and congressional debates in Bonn, London, Tokyo, and Washington (Fox and Brown 1998). They were also the source of high-anxiety political conflict in the streets of Manila, Jakarta, and New Delhi. The global master of development was on trial in the world’s court of public opinion.

In Thailand, activists protested dozens of destructive dam, mining, and forestry projects in support of the hundreds of thousands of people, especially ethnic minorities, who had been forcibly displaced by Bank projects with little compensation (Parnwell and Bryant 1998; Rich 1994). The list of grievances included gross human rights violations and the impoverishment of large rural populations through projects that mostly benefited a narrow set of state-class, urban, and industrial interests. In Indonesia, protests erupted against the World Bank’s extensive support of General Suharto’s Transmigration Project, a military-cum-development scheme that forcibly resettled more than two million ethnic minorities from the inner islands of Java and Bali to the outer islands between the mid-1970s and mid-1980s.

Campaigns were also launched against the World Bank’s support of the Narmada Dam project in India, and the Polonoroeste highway project in Brazil. Ironically, the Bank publicly promoted its Polonoroeste project in the Brazilian Amazon as a leading example of sustainable development, suggesting that its five successive loans to Brazil would be the key lever to force a reluctant Brazilian government to take seriously the needs of the indigenous peoples who lived in this region. Others, by contrast, saw this massive highway project as the death knell for the rain forest and its indigenous population, as it would invite millions of colonizers into a region without sufficient state authority to prevent clear-felling the forest and harassing its dwellers—which is precisely what happened. As scholars and activists documented the destruction, this campaign became a catalyst for a type of transnational advocacy networking that has become remarkably common today (Keck and Sikkink 1998).
The anti-Panama Canal campaign became a significant threat to more than just the Bank's work in the Amazon. The exposure of Bank practices evoked strong criticisms on the part of key Northern policymakers. After sitting through more than twenty hearings before the U.S. Congress, in which passionate and media-savvy speakers from Amazonian indigenous groups, clad in their traditional clothing, testified to the project's destructive effects on their communities, some members of Congress threatened to cut support to the multilateral development banks, while others became determined to discipline the World Bank and impose upon it some form of accountability. As conservative Republican Senator Robert Kasten noted in 1986, "When people find out what's been going on, you're going to see people out in the street saying, 'My God, did you read this information? Why are our dollars being used to fund this kind of destruction?" An official in the Treasury Department agreed: "I think it's a disaster, it's a mistake, and it's been going on for years" (Wade 1997, p. 672). The fact that this campaign coincided with Bank efforts to request additional commitments from European governments and the United States to replenish the International Development Assistance (IDA) fund placed the Bank in an extremely vulnerable position.

To survive this onslaught of criticism that shook the confidence of Northern policymakers, the Bank responded with stubborn denial and then, when that backfired, with substantial organizational change. Through the efforts of a handful of reform-minded actors within the Bank, the environment became the Bank's chief area of concern. New theories, idioms, images, slogans, departments, priorities, and data were generated at breakneck speed. New World Bank reports determined that there could be no sustained economic growth without a sustainable environment and just treatment of the ethnic minorities and indigenous peoples living on fragile ecosystems. Money and other institutional resources were thrown at the problem. As late as 1984, the Bank had only five staff people officially working on the environment; by 1995 it had more than three hundred. In 1985 the Bank loaned less than $15 million in the name of the environment; a decade later, it was lending almost a billion dollars. Between 1985 and 1995, budgetary resources for environmental policy, research, and loans grew by more than 90 percent a year. The small Office of Environmental Affairs balloononed into an Environment Department, with a significant body of staff. In 1992, the Bank established a new vice presidency for environmentally sustainable development.

By the mid-1990s, environmental issues had become so central to the Bank's identity and work that its clients could not borrow until they had signed off on a National Environmental Action Plan (NEAP), which committed them to "mainstream" their environmental concerns in national development policies. Large-scale projects were no longer approved by the Bank's executive directors without rigorous environmental and social assessments based on a scientific protocol that the World Bank, meanwhile, was busy inventing. The Bank imposed on its borrowers "environmental adjustment" policies throughout the 1990s (often in concert with its fiscal structural adjustment policies), which pressed governments into creating cookie-cutter-like environmental protection agencies, redrafting forestry, land, and water laws; establishing national environmental policy and research institutes; and training a cadre of professionals to carry out environmental reforms. These interventions attempted to make national standards more compatible with a set of "global" standards that the Bank and its partners were working hard to create at the same time.
Conclusion

Although its birth in the mid-1940s reflected a noteworthy event in postcolonial history, the World Bank became a powerful organization only two decades later, under Robert McNamara’s leadership. McNamara seized the opportunity to expand the Bank’s role in the global economy at a pivotal moment when U.S. hegemony was being challenged by Europe, Japan, and the oil-producing OPEC nations, on the one hand, and by anti-colonial insurgents throughout the South, on the other. Under McNamara’s stewardship, the Bank instigated new transnational spheres of political and economic influence in which it and Southern professional supporters worked together to produce a new regime of development. McNamara’s remarkable system of knowledge production and dissemination enabled the Bank to lend substantial amounts of capital and influence decision making within borrowing-country institutions as it never had been able to before. Even after McNamara’s retirement and major changes within the Bank, McNamara’s mark on the Bank helped it to overcome threats to its authority and legitimacy and to grow stronger and more powerful, as it had after the debt crisis and the anti-Bank street riots and mass protests of the 1980s.

In the late 1980s, the environment became a category of broad significance in the world of development in part because of the widespread ecological and social devastation that resulted from Bank projects and policies. To survive the onslaught of criticism that made the Bank into an institution non grata and attracted the critical eye of Northern policymakers, the Bank was forced to engage in major organizational reform. Remarkably, by the late 1990s, the World Bank was setting new global standards for environmental management and regu-