What International Organizations Do, and Why They Do It

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Abstract

International organizations work to develop production and exchange (and productivity and competitiveness) on a global scale, in ways that vary from time to time in accordance with the state of the world market as a whole and from place to place in accordance with the situation of individual states. In recent decades the focus on productivity and competitiveness on a world-wide scale has intensified, prompting a conjunctural focus on responses to the 'global financial crisis', and a deeper strategic focus on 'structural reforms'. The latter focus on extending global value chains, promoting industrial policy, pursuing the formalization of labour, reforming labour markets and social protection, and lowering barriers to trade, in ways that reflect the 'completion of the world market' in terms of exchange. Against this background the World Bank's 2015 World Development Report, *Mind, Society and Behavior*, exemplifies the principal objective of current global policy - to induce people around the world to conform in thought and behaviour to the requirements of globally competitive capitalism. It is seen as the logical culmination and the cutting edge of twenty-five years of increasingly focused and coordinated work on the part of the international institutions charged with governing the global economy.

Key Words: International Organizations, the World Market, WDR 2015, Poverty and Development

> 'Much of our thinking is based on what comes to our mind effortlessly, so if I can change what comes to your mind effortlessly I can actually change your behaviour[1]'

What do International Organizations Do?

What do international organizations do? If we take them at their word, they operate on the behalf of the common good, on a global scale: so, the G20 is 'the premier forum for its members' international economic cooperation and decision-making'; the ILO 'promotes jobs and protects people'; the World Bank 'works for a world free of poverty'; the IMF is 'working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world'; the OECD promotes 'better policies for better lives'; UNCTAD pursues 'prosperity for all'; the UNDP aims to deliver 'empowered lives and resilient nations'; and the WTO seeks to 'ensure that trade flows as smoothly, predictably and freely as possible'. Despite some differences of emphasis, this is a unified project, since the IMF and the World Bank converged in the late 1990s, and the UNDP signed up to it, along with leading national development agencies such as DFID in the UK, early this century, to be followed in due course by the ILO and the G20 (Cammack, 2001a, 2003, 2006a, 2006b, 2012a, 2013a, 2014a).

In articles published between 2001 and 2004, I argued that since 1990 the Bank had been systematically promoting the proletarianisation of the world's poor (their equipping for, incorporation into and subjection to competitive labour markets), along with the creation of an institutional framework within which global capitalist accumulation could be sustained, and legitimated through policies of controlled participation and pro-poor propaganda. I described its objective as the systematic transformation of social relations and institutions in the developing world, in order to generalise and facilitate proletarianisation and capitalist accumulation on a global scale, and build specifically capitalist hegemony through the promotion of legitimating schemes of community participation and country ownership (Cammack, 2001b, 2002, 2003, 2004). This description still holds good. Erroneous notions about a narrow commitment to the 'Washington Agenda' of privatisation, deregulation and liberalisation notwithstanding, the project remains what it has been from 1990 onwards, and as I summarised it in 2002:

> What would a systematic programme for the establishment and consolidation of capitalism on a global scale look like? For a start, it would set about the conversion of the world's poor into proletarians, stripped of alternative means of survival, and obliged to offer themselves to capitalists for work. It would then enlarge the scope for the private production of goods through the extension of markets, and the provision of an institutional matrix in which capitalist exchange could flourish. To secure the project's long-term viability, it would seek to ensure the preservation of the environment within which capitalism operates, not least by limiting the tendency for the forces of capitalist competition themselves to destroy it. Over time, it would orchestrate the delivery of appropriate numbers of people with sufficient health and education to be exploitable as workers. It would provide the infrastructure necessary for capitalist production, but not actually produced by capitalists themselves. Alongside these macro-structural elements, it would create institutional frameworks to ensure that workers behaved in such a way as to strengthen rather than to undermine the capitalist regime; that capitalists were nurtured, but at the same time compelled to compete against each other; and that states acted to support and expand domestic and international capitalism. Once these were in position, the programme would seek to promote a general acceptance of the global regime by manipulating information in order to favour pro-market solutions to the problems of further development, while mounting an ideological offensive to persuade the world's population that there was no alternative. With all this in place, it would claim that the globalized free-market system offered the only solution to the problem of world poverty (Cammack, 2002: 127).

This quintessentially classical liberal project is wide open to its classical Marxist critique. It aims at the development of capitalism on a global scale, and it claims that individuals are empowered and made prosperous through the market and the system of private enterprise. Marx and Engels called this the bourgeois mode of production, and argued that all nations would be compelled to adopt it, 'on pain of extinction'. On their analysis, it is the self-expansion of capital, not the agency of governments or of international organizations, that drives competition forward:

> If we now picture to ourselves this feverish simultaneous agitation *on the whole world market*, it will be comprehensible how the growth, accumulation and concentration of capital results in an uninterrupted division of labour, and in the application of new and the perfecting of old machinery precipitately and on an ever more gigantic scale. ... *The more productive capital grows, the more the division of labour and the application of machinery expands. The more the division of labour and the application of machinery expands, the more competition among the workers expands and the more their wages contract. ... Thus we see: if capital grows rapidly, competition among the workers grows incomparably more rapidly, that is, the means of employment, the means of subsistence, of the working class decrease proportionately so much the more, and, nevertheless, the rapid growth of capital is the most favourable condition for wage labour* (Marx, 1849: 94, 96, 97; emphasis in the original).

Where liberals saw emancipation and empowerment in this process, Marx saw alienation and the denial of human freedom: 'It is not individuals who are set free by free competition; it is, rather, capital which is set free' (Marx, 1857-8: 650). These counterposed perspectives set the stage for this essay. As capital continues to expand across the world market as a whole, the international organizations try to get ahead of the game, offering policy advice aimed at orienting national policy-makers towards practices which simultaneously promote the development of capitalist relations of production at the national level and across the system as a whole. In other words, they are trying to keep the global capitalist show on the road.

The world market: an interim assessment

The full development of the world market in terms of relations of production is still a long way off, but it has reached a crucial point with its virtual completion in terms of exchange, and capital now operates on a genuinely global scale (Carroll and Jarvis, 2014: 535-6). For Marx and Engels, world history *began* with the advent of large-scale industry and was played out *from the start* not in self-contained national economies but in the expanding world market. Workers who had been separated from the means of production were subjected to the discipline of the factory, where the application of technology and machinery to the production process brought about a revolution in productivity. As production outran national markets, capitalists sought markets abroad, setting in motion the process mentioned above, in which all countries were obliged to adopt the bourgeois mode of production, on pain of extinction. Workers found themselves 'more and more enslaved under a power alien to them .. a power which has become more and more enormous and, in the last instance, turns out to be the world market' (Marx and Engels, 1845-6: 51). Similarly, Marx later insisted, the 'industrial capitalist always has the world market before him, compares, and must constantly compare, his own cost prices with the market prices at home, and throughout the world' (Marx, 1894: 335). Competition driven by constant revolutions in productivity would eventually transform the world, albeit unevenly, and over an extensive period of time. On this basis Marx and Engels insisted that 'the "history of humanity" must always be studied and treated in relation to the history of industry and exchange', and refused to endorse any linear, uniform or deterministic relationship between changing patterns of production and either social and political structures or national trajectories of change (Marx and Engels, 1845-6: 43; Cammack, 2013).

The new materialist framework I derive from this suggests that the drawing of China, India, the former Soviet Union and eastern and central Europe into the world market, along with the coming to an end in conditions of crisis of the brief, atypical and unsustainable period of social democracy and welfare capitalism in the West, places us on the threshold of the 'completion of the world market' envisaged by Marx and Engels 170 years ago. However, if the world market is near enough complete in spatial terms, in that practically all the world is drawn into trade or exchange, it is still far from complete in terms of the transformation of the social relations of production: non-capitalist relations of production still prevail in large parts of the world, with most workers still in the informal sector (two thirds of some 3 billion, according to the OECD), and so only indirectly or inefficiently exploitable by capital. Reflecting this, the international and regional organizations mostly closely concerned with the governance of global capitalism have converged over the last twenty-five years or so on an agenda which gives priority to reforming labour markets and social protection to make workers *available to* capital, and equipping them with the attributes (such as basic health, education, and adequate nutrition) to make them efficiently *exploitable by* capital. Over the last few years there has been a flurry of activity around four other key themes: extending global value chains, promoting industrial policy, pursuing the formalization of labour, and lowering barriers to trade. *All* of these seek to increase the productivity of labour on a global scale, and all seek to intensify the 'uninterrupted division of labour, and .. the application of new and the perfecting of old machinery precipitately and on an ever more gigantic scale' of which Marx wrote at the end of the 1840s. Global value chains, as 'borderless production systems' that feature the 'fragmentation of production processes and the international dispersion of tasks and activities within them' (UNCTAD, 2013: 122), represent the ultimate division of labour, in which every individual step in a manufacturing process can be assigned to the most appropriate workers, anywhere in the world. They are promoted by every major international and regional organisation concerned with economic development (in addition to UNCTAD, 2013, see AfDB, 2014; ADB, 2014; ECLAC, 2014; IDB 2014; OECD, 2013a; WTO, 2011; WTO, 2014: 78-127). With the proliferation of global value chains, firms in the most advanced economies have a direct interest not only in the productivity and efficiency of their home industries or foreign subsidiaries, but also in the productivity and efficiency of every step in the global value chain, and their capacity to bear down on their current partners and search for new ones continually ratchets up the level of competition across the global economy. As the OECD comments:

> With companies and countries now embedded in international networks of production, GVCs increasingly challenge policy thinking about competitive-ness. Today's economies no longer rely exclusively on domestic resources to produce and export goods and services; instead, their exports increasingly embody the technology, labour and capital of the countries from which they import intermediate goods. As a result, the competitiveness of national economies increasingly depends on the competitiveness of their partners (OECD, 2013: 182).

This in turn helps to explain the renewed interest in industrial policy, in the form of targeted and selective policies to drive up productivity and efficiency and thereby transform structures of production. A recent collection published by the ILO and UNCTAD spells out the current synthesis on industrial policy and structural transformation as follows:

> Industrial policies need to be designed with a view to fostering structural transformation patterns that have the potential to accelerate the generation of not just more jobs, but also more productive and better jobs. Productive jobs lead to higher levels of income, reduced poverty, an improved standard of living and stronger domestic demand, by providing decent wages, good working conditions, training, social protection and respect for workers' rights. Better jobs, in the sense of those of greater developmental and dynamic catching-up value, include those with high technology and skills content; these offer workers opportunities to acquire new knowledge and technological competences, thereby in turn enhancing the complexity and diversity of the knowledge base of the labour force, an essential ingredient for accelerating the catching-up process (Salazar-Xirinachs, Nübler and Kozul-Wright, 2014: 5).

The authors identify the World Bank's 2006 *Commission on Growth and Development* as 'an important step towards a fresh appraisal of industrial policies', (ibid: 9), while the OECD has not only devoted successive flagship studies to industrial policy and productivity respectively (OECD, 2013b, 2014a), but has also launched the cross-cutting OECD Initiative on Global value Chains, Production Transformation and Development (OECD, 2014b). Along with the ILO, the OECD and the World Bank are leading the global campaign against informal labour in the name of 'more and better jobs' – jobs, in other words, in which capital, human and physical, is invested (ILO, 2014; OECD, 2014c; World Bank, 2012). All of this adds up to an intense and sustained attempt to extend and deepen the world market, and embed a politics of global competitiveness. Such a politics, as its radical critics maintain, is geared to reproduce global poverty and inequality, rather than to address it (Selwyn, 2014; Carroll, 2015). And as Selwyn reminds us (in relation here to global *commodity* chains):

> The proliferation of GCCs [global commodity chains] has occurred in tandem with, and

> based upon, the expansion of the world's labouring class, which has expanded from 1.1 billion people in 1980 to 3.05 billion in 2005. In 2010 there were 942 million working poor (almost 1 in 3 workers globally living on under US$2 a day) The expansion of the global labouring class has been managed closely by the international institutions as an attempt to facilitate local and global capital accumulation through heightened labour exploitation (Selwyn, 2014: 14).

In this extremely dynamic environment, only partially and temporarily obscured by the 'global financial crisis', firms in advanced economies scour the world for more productive suppliers, as company performance 'becomes increasingly dependent on the performance of the international production network' (OECD, 2013: 41). At the same time, governments in 'emerging economies', strongly encouraged by international organisations (Turkey among them: see World Bank, 2014b), seek to promote greater productivity and 'move up the value chain'. Considering as noted above that the great majority of the world's workers are *first generation* entrants to the global proletariat, and that *all* workers in advanced and emerging economies alike are subject to the new pressures and disciplines generated by systemic competitiveness that reaches down to the micro-level, the challenge facing governments world wide is to *change the capacity, mentality and behaviour of their citizens*, as much as to invest in infrastructure and remove barriers to trade and investment. For more than two decades, the focus has been on changing the structure of incentives facing workers through reforms to labour markets, welfare regimes and social protection (Cammack, 2012b). By and large, these initiatives have relied upon a 'rational actor' model, or the assumption that individuals are maximising calculators where their material interests are concerned. It is in this context that the 2015 World Development Report from the World Bank, *Mind, Society and Behavior*, represents a significant departure, as it rather belatedly catches up with the now well established literature that questions this model, and seeks to change and control behaviour by other more surreptitious means. With it, the effort on the part of international organisations to reshape societies in accordance with the dictates of global competitiveness has taken a new turn.

WDR 2015

As set out above, the international and regional organizations concerned with the governance of the global economy present themselves and act as partners of states set on intensifying competitiveness, transforming the social relations of production, and changing the way their citizens behave. In reflecting and seeking to legitimate and extend the institutional, social and material changes associated with the emergence of a truly global capitalist world economy, they are at the forefront of a global assault on the capacity of individuals to survive outside the world market. And with behavioural economics, neuroscience, cognitive science, and psychology in vogue in policy-making circles, it was predictable that one or another of them would pitch the idea that 'paying attention to how humans think (the processes of mind) and how history and context shape thinking (the influence of society) can improve the design and implementation of development policies and interventions that target human choices and action (behavior)' (World Bank, 2014a: 2). In *Mind, Society and Behavior*, that is what the World Bank does. As World Bank President 'Jim' Yong Kim puts it in the foreword:

> Its main message is that, when it comes to understanding and changing human behavior, we can do better. Many development economists and practitioners believe that the "irrational" elements of human decision making are inscrutable or that they cancel each other out when large numbers of people interact, as in markets. Yet, we now know this is not the case. Recent research has advanced our understanding of the psychological, social, and cultural influences on decision making and human behavior and has demonstrated that they have a significant impact on development outcomes. *Research also shows that it is possible to harness these influences to achieve development goals*

(ibid: xi, emphasis mine).

At one level, the Bank is clear in its intention to 'integrate recent findings on the psychological and social underpinnings of behavior to make them available for more systematic use by both researchers and practitioners in development communities' (ibid: 2). At another, it is not so forthright. Its presentational focus is on the 'set of tools and strategies for promoting development and combating poverty' (ibid: 3), but the underlying logic – always that of coaxing and habituating individuals into forms of thought and behaviour conducive to the rule of capital – is less explicit. In this, *Mind, Society and Behavior* faithfully follows its precursor, *Nudge*, which moved artfully from persuading kids to eat carrots and adult men to aim into rather than alongside urinals to helping workers 'save for tomorrow' by signing up to the steady ratcheting down of year-on-year real take-home pay (Thaler and Sunstein, 2008: 1-4, 122-125). In short, the report is a *celebration* and an *exploitation* of 'the cognitive limitations of people in all walks of life' as much as it is a corrective (in relation to World Bank staff, for example) to this condition World Bank, 2014a: 4). *Mind, Society and Behavior*, then, is not to be taken lightly. It represents an attempt to programme the poor on behalf of capitalism on a global scale, making it the third wave in an assault that began with structural adjustment programmes in the 1980s intended to reform states along neoliberal lines, then morphed in the 1990s under the tutelage of Joseph Stiglitz into the programme aimed at proletarianising the poor and making them responsive to the needs of capital that was reviewed above. Now, under the guidance of lead author and Stiglitz associate Karla Hoff, another shift is under way, from seeking to change behaviour through incentives (conditional cash transfers, social protection and labour market reforms, and the like), to working directly on the mental processes of the poor.

Programming the Poor for capital

WDR2015 takes up with enthusiasm the task of 'understanding and *using* recent findings on human decision making': 'thinking automatically', 'thinking socially,' and 'thinking with mental models' (ibid: 25, my emphasis). Its purpose, evidently enough, is not to understand society, but to change it. In consonance with this goal, its approach is didactic and programmatic, aimed at exploiting the potential of these features of human decision-making. So, if much of our thinking is automatic, not deliberative, 'simplifying the choice environment can help people make choices and enact behaviors that benefit them'; if humans 'are not autonomous thinkers or decision makers but deeply social animals, 'recognizing the importance of social preferences and norms in decision making can help policy makers improve program efficacy and develop new tools for achieving development objectives'; and if individuals 'do not respond to objective experience but to mental representations of experience constructed from culturally available mental models', 'showing new ways of thinking can expand the set of mental models they draw on and their capacity to aspire and can thus increase social welfare' (ibid). So, drawing on behavioural economics, social psychology, cognitive science, neuroscience and the like (reviewed in Jones, Pykett and Whitehead, 2013: 1-22), the report sets out a detailed blueprint for engineering social and behavioural change, which depends on the view that people can be programmed (World Bank, 2014a: 29-34). It is argued that such things as default options, simplicity, sequence and timing of choices matter (ibid: 34-37), and that tweaks, reminders and 'commitment devices' put people back on track (ibid: 37-8). 'Sociality can serve as a starting point for new kinds of development interventions' (ibid: 43): as social preferences, networks, norms and learning all affect decision-making (ibid: 43-54), 'interventions may be able to target social identities as a means of changing behavior' (ibid: 46) and 'achieve their objectives by harnessing some social pressures and diminishing others (ibid: 50). And since 'economic incentives are not necessarily the best or the only way to motivate individuals', 'social incentives can be used alongside or even instead of economic incentives to elicit desired behaviours;' social norms can be activated, worked around, or changed through legislation or persuasion, in accordance with their utility, and 'norm change may be a necessary component of social change' (ibid: 51-55). Finally, mental models ('broad ideas about how the world works and one's place in it') may be limited, obsolete, dysfunctional or plain false, with destructive effects (ibid: 62); or they may create beliefs that inhibit cooperation, trust and belief in the possibility of positive change. Individuals draw on multiple such models, depending on context and triggering, so that the salience of one or another can be manipulated (ibid: 66-9). Those 'that are not serving individuals well' (default assumptions) can persist because they influence what we 'perceive, pay attention to, and recall from memory'; because they are not tested by events on a sufficient social scale; because they predispose us against precisely those actions that would prove the model false (belief traps); or because they lead us to ignore, suppress or forget observations that might undermine our beliefs (ideology or confirmation bias) (ibid: 69-70). This being the case, carefully calculated interventions can 'improve the match of mental models with a decision context' (ibid: 70), through such strategies as political affirmative action, embedding key messages in entertainment media (entertainment education, combined with randomized controlled trials or RCTs, ibid: 76-7). In sum, 'a focus on mental models both gives policy makers new tools for promoting development and provides new understandings for why policies based on standard economic assumptions can fail' (ibid: 72). In short, having found that 'people are malleable and emotional actors' (ibid: 3), the World Bank is set upon exploiting this discovery to beneficial effect.

The six substantive issues with which the Report deals after setting out its machinery of mind management and behavioural correction – poverty, early childhood development, household finance, productivity, health, and climate change – are perfectly familiar. What is new is the way in which the findings and techniques set out in the opening chapters are deployed to address them. The whole approach constitutes a medicalization of development, in which the mind-sets of the poor and other obstacles to healthy growth are seen as pathologies, for which development practitioners offer both a scientifically informed diagnosis and an appropriate intervention (the latter tested through randomized controlled trials before being marketed as a certified cure). Symptomatically, the series of chapters on psychological and social perspectives on policy opens with the invocation of the poor father who 'chooses not to enrol his son in secondary school,' on which the report comments that:

> The assumptions policy makers think underlie this decision will likely affect the *remedies* they design to address low investment in education and other behaviors associated with poverty [80, emphasis mine].

The resort to medical terminology is not innocent. Insofar as policy makers present themselves (and perhaps see themselves effortlessly) in this way, they remove policy making from the context of purposive action on behalf of a particular set of interests, and present and experience it in terms of altruistic commitment to bring unquestionably good things to the poor – a powerful 'mental model' to which I return in the conclusion.

I now turn to four substantive topic areas discussed in the report, avoiding what would be a repetitive account of how each one illustrates thinking automatically, socially and with mental maps in favour of a more selective focus on the underlying analysis and its implications. As those on health and climate change have relatively little additional content relevant to this critique, I do not consider them further.

Poverty

At lot is at stake in the 'narratives of poverty' with which policy makers work, and two such are immediately questioned:

> If policy-makers assume that poverty results from poor people's deviant values or character failings.. or that poor people simply do not understand the benefits of important investments like education, they might pursue a strategy of persuasion to assist someone like this father [one who chooses not to enrol his son in secondary school]. Or if they assume that the decision to keep a child out of school results solely from a political and economic system that is inherently stacked against poor people, they might advocate quotas or a large-scale redistribution of resources. Both these narratives of poverty offer an incomplete picture of decision making and choice. The first places little emphasis on constraints beyond the control of the decision maker—such as the fees associated with attending school or the absence of enforceable compulsory education laws, which could coerce parents to send their child to school. The second narrative does not address the cognitive resources required to make a decision, especially when material resources are in short supply and when people's willingness to act upon their desires may be constrained (ibid: 80).

The logic is clear: the large scale redistribution of resources is ruled out (by virtue of a 'deeply embedded and shared belief' or mental model on the part of policy-makers, as it happens), and persuasion will only work if the structure of incentives that the poor face is appropriately manipulated. The field is open for randomized controlled trials and other related technologies of power to be deployed on behalf of the goal of changing the mindsets and hence the behaviour of the poor, in response to the fact that poverty itself 'can blunt the capacity to aspire and to take advantage of the opportunities that do present themselves' (ibid: 85). The extent of willingness to experiment on the poor without their knowledge or consent is itself a notable feature of the analysis.

In what follows in the Report, for each of the specific themes addressed, the focus is relentlessly on shaping the neoliberal subject. As regards poverty itself, the Bank notes that 'poor households often benefit from forms of social insurance, tapping resources from friends, neighbours, family, and social groups such as burial societies, or rotating pools of credit' (ibid). A good thing too, you might think. But this is not necessarily so, as 'norms that may require investments in social capital to the detriment of private opportunities' must be eliminated. So when budding entrepreneurs in Kenya were found in a laboratory experiment to be 'willing to pay a price to keep their earnings from a game hidden', this outcome was seized upon to suggest that they might 'benefit from financial products that allow them to insulate their income from social demands'. And so it proved, in another field experiment in Kenya:

> using a simple metal box with a padlock and designating savings for a particular purpose can help increase savings for people who must assist others in their social network [86].

And so on, for each topic area considered. In each case, an unreflective and uncritical account is given of micro-level case studies, primarily of RCTs, that zero in on one or another aspect of the ideal neoliberal citizen. In this case, if the poor cannot be made economically rational, they can at least be selfish, which is a start.

Early childhood development

The children of the poor are already lagging badly in cognitive and other skills before they get to school. Poverty in infancy and early childhood 'can impede early brain development,' to the extent that a US study found that by their second birthdays, 'there was a six-month gap between children from higher and lower SES families in processing skills known to be critical to language development' (ibid: 101). This prompts proposals for 'designing interventions that focus on and improve parental competence' (ibid: 104). The analysis moves from stating the obvious ('having a predictable and stable source of income reduces parents' mental stress', 'maternal depression can interfere with mothers' capacity to provide support and responsive care') to asserting that direct interventions may be needed because 'alleviating poverty alone does not automatically improve parenting practices' (ibid: 105). But the problem with the line of argument that is developed is clear. A key piece of research on Jamaica (Gertler et al, 2014) found that weekly visits from community health workers over a 2-year period [1986-7] that taught parenting skills and encouraged mothers and children to interact in ways that develop cognitive and socioemotional skills led to a 25 per cent increase in earnings in later life. The study details the extent of the intervention (two years of weekly one-hour play sessions at home with trained community health aides, with each session adjusted to the child), and also reports that the aides had first completed training in nutrition and primary health care, and received an additional eight weeks' training in child development, teaching techniques and toy-making prior to the study. Nothing is said about other costs, or about scaling up – but the article does estimate that more than 200 million children under the age of 5 might be similarly disadvantaged. There is a clear implication from this. The *withdrawal* of support for early childhood development as a universal entitlement, already under way in the 1980s on a massive scale, can be assumed to have led to a massive *decrease* (of the order, say, of 20 per cent) in the capacity of young adults who have grown up in poverty – at least in so far as it is measured by earning capacity. In short, the World Bank has the resources to *experiment* on the poor, but not to alleviate their poverty.

Household finance

Poor people do not manage their finances well. The World Bank, assuming as it does that increased engagement with financial institutions would help, proposes that these should be 'made more responsive to the behavioural factors driving people's financial decisions' (ibid: 112). The presumption, then, is that the poor could make more use of financial products, but that they are an impatient, procrastinating, feckless lot, short on willpower, easily swayed by impulse and discouraged in the face of too much small print. Given the brute fact that the poor do not have enough money to make ends meet, the Bank is more or less reduced here to parroting *Nudge*, default options, nudges and reminders, commitment devices, Save for Tomorrow, and all. At the same time, nothing in the wretched lives of the poor is left untouched. The soap opera, once pure escapism, in which the whole point of most story lines was that there was someone worse off than yourself, has become a surreptitious tool for the promotion of thrift, sobriety, and willingness to take any job rather than sponge off the state:

> Overall, our findings suggest an important role for entertainment media as an accessible and important tool for policymakers to deliver carefully designed educational messages that resonate with the audience and can potentially influence financial knowledge and behavior. Further, our findings suggest that emotional connections and familiarity with media personalities certainly play a role in motivating knowledge and behavior change among viewers, and that harnessing such potential can be an important channel for achieving development impact (ibid).

In the South African soap featured as an exemplar (it sounds unmissable), the main character 'depicted poor financial behaviour before changing her habits' (Berg and Zia, 2013: 5). From the summary provided, the plot sounds every bit as dire as that might lead you to expect, so (spoiler alert) I will fast forward you to the happy ending:

> Maletsatsi gets Daniel to help her structure a simple savings plan. She is going to put a part of her salary into a special bank account from which she cannot draw and which will give her good interest on her savings (ibid: 49).

A twenty-first century medium, then, with a good old-fashioned nineteenth century message.

There is now a name for interventions of this type – 'social marketing soap operas', and a record of endeavour going back twenty years, not always with success: in Kazakhstan, *Seeking Happiness*, 'a six-episode soap opera funded by USAID, was used to explain capitalism, especially privatization and rule of law, to the former soviet country' (ibid: 8), but sadly to no avail. Our American cousins can learn from the UK Ministry of Defence. If you were to google 'How Soap Operas Bring About Change,' you would learn from the Defence Science and Technology Laboratory, Porton Down, about 'New Home, New Life', the highly successful 'Afghan Archers' (the Archers being a long-running radio soap that has been purveying handy tips about farming to a devoted UK audience since 1951, not a traditional Afghan fighting unit), first broadcast in 1994. Neurological warfare is the new biological warfare.

Productivity

In Ghana, small-scale entrepreneurs who are given cash loans use them in part to finance household needs or help relatives. In Kenya, bicycle taxi drivers do just enough work to meet their daily needs, rather than maximising their income, and shop keepers waste time wandering about in search of small change instead of coming to work with a float. In India, fishermen fish less as the value of their catches increases, opting for days off instead of going out to sea. The Bank takes these illustrative cases from the nearly 60 per cent of the world's labour force who are self-employed as evidence that 'divides between intentions and actions and the neglect of potential opportunities may loom even larger [for the self-employed] .. because they do not have contracts with an employer interested in their level of effort or explicit work arrangements that dictate what is expected of them' [135]. In other words, the Bank assumes that it would be in the interest of these self-employed workers to exert themselves to the maximum. At the same time, however, the sources on which it draws suggests that the benefits from extended effort are relatively small – from 5 to 8 per cent additional income, for example, in the case of Kenyan bicycle taxi drivers (Dupas and Robinson, 2014).

The manner in which the issue is addressed reveals the ideological character of the World Bank's approach. As the reference to 'neglect of potential opportunities' shows, the Bank simply assumes that maximising income is the right choice to make, rather than one option at the extreme – so it talks about difficulties in turning intentions into action, or failure to notice an opportunity, and reports on interventions that are likely to 'improve things' (ibid: 135). This imputation to workers of what we used to call 'false consciousness' is simply a consequence of the mental model with which it works. From a critical perspective, the fact that these individuals make the choices they do reflects their ability to *resist* the logic of capital – the failures and difficulties are not those of the individuals concerned, but of capital. That, of course, *is* the real problem, as far as the Bank is concerned – a shift has taken place from the notional question, why won't the poor do what is best for them?, to a rather different one – why won't the poor do what *we* want them to do?

There is another substantial issue here, and it concerns the supposed relationship between micro-entrepreneurship and productivity. The Bank has promoted micro-entrepreneurship over the years, as a key part of its legitimising ideology as well as its approach to growth. But it seems to be the case that micro-enterprises (typically of the kind promoted by micro-finance schemes) almost never grow to become significant businesses (Banerjee and Duflo, 2011: Ch. 9). They start tiny, and the lucky ones end up small. Most, as Banerjee and Duflo note, are simply a means by which some individual buys himself or herself a job – and not just any job, but a low-productivity, dead-end job. In other words, they are a means not of escaping from poverty, but of perpetuating it at the cost of extreme self-exploitation. *Poor Economics*, at the same time, has been rightly criticized for its focus on small questions at the expense of big ones (Reddy, 2012: 62-4), and precisely the same problem occurs here. Productivity (*the* issue as far as the World Bank itself and other international organizations are concerned) is reduced here, because it is addressed in relation to low-productivity jobs and micro-businesses, to such questions as whether giving cash rewards or gold stars to the hairdressers who sell female condoms is the better way of promoting them, or whether new recruits to Indian software companies should be given sweatshirts and badges with their names on during their training. This follows from the decision to focus only on ways of making better use of existing factors of production, rather than transforming them (ibid: 128). In making this choice, the Bank entirely forgets the need for *better* jobs (more productive, and linked to the world market), and hence for the need for some jobs to disappear, while new ones are created (World Bank, 2012: 75). As a result, it pays no attention in this chapter to global value chains, trade, foreign investment, or creative destruction in the domestic economy – all issues central to the question of productivity. Paradoxically, perhaps because of its ideological preferences, perhaps because the RCT methodology and the broader behavioural framework cannot address the more crucial aspects of productivity mentioned above, the chapter on 'productivity' does not touch at all on the principal elements of the Bank's agenda in this area. Instead, it dwells in a grotesquely contradictory fashion on precisely those forms of activity that are scheduled by the Bank, rightly or wrongly, for elimination. As the next section suggests, this is not the only area in which the bigger picture is missing.

The Bigger Picture: Happiness on Tap?

Throughout, the report deals with micro-level illustrations of proposed techniques and successful interventions, without exploring their connections to the broader political economy of neoliberal reform. As a result, its conclusions cannot be taken at face value – further investigation is needed in order to reveal these links. Take as an example the case of a scheme intended to encourage poor residents of Tangiers to buy connections to water and sanitation networks on credit, on which the following is reported:

> The program … made it easier for households to obtain a connection for piped water; this improvement reduced the time residents spent fetching water by more than 80 percent. Beneficiaries were more likely to perceive that their life had improved in the previous year and reported higher life satisfaction—despite a 500 percent increase in their water expenditures and an absence of any improvements to their health (ibid: 89).

On the face of it, a win-win situation, as recounted in the source (charmingly entitled "Happiness on Tap") – more business and profit for the private supplier (Amendis, a wholly-owned subsidiary of *Veolia Environnement*), more free time for the beneficiaries (devoted at the time of the study to leisure) and happiness all round. First, though, it turns out that the Franco-American team who carried out the study, with support from MIT's ubiquitous Poverty Action Lab [ibid, and Devoto et al, 2012) were not only funded by *Veolia Environnement*, but themselves conducted the 'door-to-door awareness and facilitation campaign in early 2008 among 434 households, randomly chosen from the 845 that were eligible for a connection on credit' (Devoto et al, 2012: 69), in accordance with what they describe as an 'encouragement design'. In other words, they were effectively employed by the company. Second, they report that two years on, only 44 per cent of households were up to date with loan repayments, with more than a quarter 20 per cent or more in default (ibid: 92). At this point, they add, no disconnections had occurred. However, the defaulters were clearly at risk, and presumably under pressure to exchange enhanced leisure time for productive work to meet their obligations. They had already been drawn into a privatised supply system (in which they were getting exactly the same water they had previously fetched from public taps, the only difference being that they now paid to have it piped into their homes).

The next development (*not* reported in the case study cited, or in WDR 2015) was that Veolia announced its intention to sell Amendis to the British equity fund Actis, giving rise to a protracted conflict that was seemingly resolved only in December 2014, when Veolia (signatory to a 25-year contract which local authorities declined to break) abandoned the proposed sale. Actis, in turn,(whose strapline is 'the positive power of capital™'), was created in 2004 'after spinning out from CDC [Commonwealth Development Corporation], the UK's development arm, founded in 1948 [as the Colonial Development Corporation] to invest in the Commonwealth' (http://www.act.is/content/OurHistory, accessed 18 December 2014). This in turn was the culmination of a process that began in 1997 when UK Prime Minister Tony Blair chose the CDC for conversion to a public-private partnership, leading to the sell-off of long-term, labour-intensive agricultural projects in Africa, and prompting even the staunchly liberal *Economist* to demur, in a report headed 'Two Fingers to the Poor' (*Economist*, 14 January 2001: http://www.economist.com/node/656299, accessed 19 December 2014). There is a bigger picture, then, than *Mind, Society and Behavior* acknowledges. The residents of Tangiers were able to resist this fate, but others have not. Viewed in this context rather than out of it, the randomized controlled trials that the report celebrates are intended to draw the poor into the most advanced global circuits of financial capital and subjecting them to its logic.

Conclusion: Why Do They Do It?

The final sections of the report address some of the inappropriate biases, mental shortcuts, and social and cultural influences to which development professionals may be subject (ibid: 180). Some – but not all. A few days before the launch of the Report the World Bank put up a discussion board inviting comments in advance of its publication. The first to be posted, from a contributor adopting the pseudonym 'Big Brother', simply said, 'Thought control – the next frontier'. I was the author of that post. More than an hour into the launch, to my surprise, the Bank's Chief Economist Kaushik Basu noted the comment, and asked the panelists to respond. Karla Hoff contributed the sentiment that as everyone's thought was controlled, it might as well be controlled by the World Bank, which struck me then, and strikes me still, as unethical. Just as tellingly, after President Kim commented on good potential outcomes primarily in the health arena, Kaushik Basu himself added:

> The one little risk is that of course everyone will read it, people whose intentions are not good, they will also learn some techniques from this. But that is the risk with all science and all advance of knowledge that it is knowledge once it's available widely people can misuse it. But I feel given that this is widely being used, widely being used in fact in people's self interest the fact that we are today bringing it into an arena where there are these good ends that we are trying to get where we are bringing in this, this is a very welcome venture (Launch, at 1:15:45, my transcription).

The moral? The Bank adopts the logic of global capital as its own, and declares it to be 'in people's self interest'. This in turn establishes its own innate goodness – and hence its right to programme the poor.

The conducting of randomized controlled trials in an effort to establish effective means by which the poor might be induced to adopt forms of behaviour consistent with the logic of globally competitive capitalism is already an industry of very considerable proportions, and WDR shows only the tip of the iceberg. It represents the leading edge of an emerging partnership reforming governments, international organizations, and the academy (Jarvis, 2014) in which the principal targets are citizens, and particularly the poorest of them. Its ultimate logic is not disclosed in WDR 2015, except between the lines. A better sense of what it portends was given by the OECD's Chief Economist, Catherine Manns, in a brief contribution to the OECD Observer on the occasion of the Brisbane Summit of the G20 in 2014. Addressing the reform agenda, she spelled out current thinking among the international organisations. Having first stated that: 'For all countries, the challenge is to pursue structural reforms to raise growths and create jobs in a sustainable and inclusive way,' she went on to address the challenges governments faced, concluding with a sharp reminder that 'structural reform *isn't a finite list of measures with an end-date*. It is an on-going process to build more productive, inclusive and sustainable economies for our citizens' (Mann, 2014: 12, 13, emphasis mine). This is precisely the 'enchanted, perverted, topsy-turvy world' that Marx describes at the end of Capital, Vol. III, one whose partial critique led the exponents of the 'bourgeois standpoint' into 'inconsistencies, half-truths and unsolved contradictions,' which corresponded to 'the interests of the ruling classes by proclaiming the physical necessity and eternal justification of their sources of revenue and elevating them to a dogma' (Marx, [1894] 1998: 830). He commented further:

> we leave aside the manner in which the interrelations, due to the world-market, its conjunctures, movements of market-prices, periods of credit, industrial and commercial cycles, alternations of prosperity and crisis, appear to them as overwhelming natural laws that irresistibly enforce their will over them, and confront them as blind necessity (ibid: 831).

Having arrived at the point where the world market is universal, we can no longer afford to do so.

Notes

[1] Karla Hoff, World Bank, live launch, http://live.worldbank.org/wdr-2015-mind-society-behavior, at 29: 18 accessed 6 December 2014.

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