Faith-based organisations (FBOs) are now widely recognised as important actors in
development in much of the developing world. ¹ The importance of FBOs comes in the
context of three linked yet conceptually separate developments: widespread religious
resurgence, especially in the developing world; deepening globalisation; and extensive
popular and donor concern with consistently disappointing development outcomes in many
developing countries and regions (Haynes, 2007a; Haynes, 2007b). Against this background,
announcement of the Millennium Development Goals (MDGs) in 2000 was a concrete
attempt to demonstrate the capacity of the international community to try to improve
development outcomes in the developing world.

There are two generic kinds of FBOs active in development: (1) FBOs that are active in only
one country, and (2) FBOs that act transnationally, that is, in more than one country. What
developmentally-focused FBOs have in common is a desire to help deliver better
development outcomes, sometimes by seeking to influence policy formation and execution at
the national or international level. Because of its potentially vast subject matter, it is not
possible in this brief paper to try to examine each and every area where FBOs have an impact
on development in the developing world. In addition, this paper is not country- or region-
focused. Instead, I offer an introduction to the topic by way of a brief overview and short
analysis of how and with what effects selected FBOs have interacted in the recent past with
the largest and most important secular development agency, the World Bank.

I examine two questions in this paper. First, why did the World Bank seek to engage with
selected FBOs, including the World Council of Churches, in pursuit of improved
development for a decade from the mid-1990s? Second, why did the Bank’s enthusiasm wane
from the mid-2000s and then, to all practical purposes, fade away? To address these
questions, I focus on the troubled relationship between the World Bank and the World
Council of Churches (WCC) and offer an explanation as to why this once burgeoning
relationship seems to have gone backwards in recent years. More generally, the Bank today
appears to eschew consistent, regular or institutionalised relations with selected FBOs,
including the WCC.

In order to contextualise the discussion, the paper starts by briefly relating changing
approaches to development over the last 50 years. The second section focuses on the role of
selected FBOs, including the WCC, in the formation of the MDGs. In the third section, I
examine the World Bank’s short dalliance in the 1990s and early 2000s with various FBOs,
including both the WCC and the Anglican Church. This occurred in a period of strong
interest in the developmental potential of FBOs during the tenure of James Wolfensohn,
president of the Bank for a decade between 1995 and 2005. I assess whether the focus of the

¹ There is no generally accepted definition of an FBO. FBOs are however generally characterised as having one
or more of the following qualities: affiliation with a religious body; a mission statement with explicit reference
to religious values; financial support from religious sources; and/or a governance structure where selection of
board members or staff is based on religious beliefs or affiliation and/or decision-making processes based on
religious values. This definition is derived from Ferris 2005: 312.
Bank on FBOs during this time was due primarily to the personal interest of Wolfensohn or whether faith has had a longer term and continuing impact on programming at the Bank, Put another way, was faith ‘mainstreamed’ in its activities, as the Bank now claims, leading to discernible and continuing ‘traces’ of faith in the Bank’s development-focused activities?

**Failed strategies to achieve improved development after World War II**

The ideological power of neo-liberalism was at its zenith in 1989-91 when the Cold War came to an end and the Eastern European communist bloc spectacularly and swiftly collapsed. The swift disintegration of Europe’s communist governing systems not only appeared to offer clear evidence of the superior power of capitalism and liberal democracy over communism, but also provided pro-market forces with ideological momentum. The then dominant neo-liberal development strategy – the so called ‘Washington consensus’ – reflected the pre-eminence of these ideas among key, Washington, D.C.-based, opinion leaders, including: ‘the IMF and the World Bank, independent think-tanks, the US government policy community, investment bankers, and so on’ (Thomas and Reader 2001: 79). However, critics of the Washington consensus argued that the studiously pro-market view it endorsed gave insufficient emphasis, first, to the essential developmental role of the state, the only institution consistently with power and authority to alter prevailing socio-economic realities through application of appropriate policies and programmes. It also neglected developmentally important non-state actors – both secular and faith-based organisations – that are also influential in many developing countries in helping deliver improved human development (Taylor 2005).

The focus on non-state actors in relation to development goals in the developing world reflected the abject failure of many post-World War II development strategies. The developmental picture in many developing countries was gloomy in the 1990s, with overall rising global poverty and polarising inequality. This was after 50 years of state-led, development policies and programmes and a quarter century of neo-liberal economic policies, championed both by the Bank and the International Monetary Fund (IMF). The statistics of developmental failure were damning at the end of the 20th century: Over a billion people in the developing world lived on less than one US dollar a day. More than two billion people – nearly a third of the total number of people in the world – did not have access to clean drinking water. In addition, hundreds of millions of individuals lacked even basic health care and/or educational opportunities (World Bank 2001).

Over the six decades since the end of World War II, there were three stages of thinking about development in the developing world. First, during the 1950s and 1960s, when dozens of culturally, politically, and economically disparate post-colonial countries emerged, mainly in Africa, Asia and the Caribbean, the West’s chosen strategy to achieve development was primarily via the application of appropriate levels of state-directed development aid. Second, during the 1970s, substantial oil price increases both underlined and hastened developmental polarisation, with some richer developing countries – such as South Korea, Taiwan and Singapore – managing to cope better than poorer counterparts in sub-Saharan Africa and elsewhere. Many developing countries also found their international debts fast rising at this time. Then, the West’s contemporary development vision was on a ‘basic needs’ strategy. It was envisaged that development goals would be achieved via a strategy to ensure that all people had access to necessary ‘basics’, including: clean water, basic health care, and at least primary education. This strategy generally failed, however, for two main reasons: first, the developmental issue became subsumed into the wider Cold War ideological division, with government-disbursed development funds not necessarily going to the most ‘developmentally
deserving’ countries – but often instead to allies of the key aid providing countries; and, second, because of the frequent unwillingness of ruling elites and their supporters in many developing countries to facilitate the necessary financial transfers upon which the successful delivery of basic needs strategy fundamentally hinged (Haynes, 2005; Haynes, 2007a; Taylor 2005; Shaw 2005).

The third phase followed in the 1980s. Increasing developmental polarisation in the developing world galvanised Western attempts to encourage poorer developing countries to reform their economic policies to improve development outcomes. Western governments, led by the USA, Britain and (West) Germany, and international development agencies, including the World Bank and the IMF, concurred that in the developing world, ‘unacceptable’ levels of state meddling, incompetence and poor policies often fatally undermined achievement of development goals. The solution was to try to ‘roll back’ the state, believing that governments had often ‘tried to do too much’, expending much effort and money but achieving little. Instead, private entrepreneurs would, it was envisaged, provide new injections of dynamism, energy and funding to seek solutions to development shortfalls, which would usefully augment the state’s developmental role. To pursue this strategy, Western financial assistance pivoted on ‘structural adjustment programmes’ (SAPs) in dozens of developing countries. According to Barber Conable, World Bank president between 1986 and 1991, the implementation of SAPs reflected the World Bank’s belief that ‘market forces and economic efficiency were the best way to achieve the kind of growth which is the best antidote to poverty’ (Conable quoted in Thomas and Reader 2001: 79).

Conable’s statement reflected the then current intellectual predominance of neo-liberalism in relation to development thinking. Neo-liberalism was an economic and political philosophy that ideologically underpinned the pro-market and monetarist ideas of various governments, including those of Britain’s Margaret Thatcher (1979-90), Germany’s Helmut Kohl (1982-98) and, in the USA, the administrations of Ronald Reagan (1980-88) and George H. W. Bush (1988-92). A core belief of neo-liberalism was that to achieve desirable development outcomes, government’s role must be diminished, with private capitalists and entrepreneurs ‘freed’ from state control to apply their energies to economic growth strategies. Under pressure from Western governments and key international financial institutions – especially, the World Bank and the IMF – many developing country governments were strongly encouraged to put in place and develop neo-liberal policies. Outcomes, however, were on the whole disappointing in terms of reducing developmental inequalities (Stiglitz 2006). There was then a rethinking of strategy, involving the United Nations and its key development agency, the World Bank, and to an extent the IMF. The outcome was that towards the end of the 20th century, decades of failed development strategies in the developing world suggested strongly that it was time to come up with a new approach to development, involving new actors, strategies and programmes.

**FBOs and the Millennium Development Goals: A change of approach**

Development disappointments encouraged the international community to announce a third millennium ‘onslaught’ on poverty and human deprivation, with efforts focused on sub-Saharan Africa in particular, the region with most pronounced and widespread human deprivation and poverty. The result was the United Nations Millennium Declaration (UNMD). The purpose of the UNMD was finally to deal comprehensively with human
deprivation and poverty, in the world’s most underdeveloped countries and regions. The Millennium Development Goals (MDGs) were announced in September 2000, with a 15-year deadline to achieve eight main goals. They were: Eradicate extreme poverty and hunger; Achieve universal primary education; Promote gender equality and empower women; Reduce child mortality; Improve maternal health; Combat HIV/AIDS, malaria, and other diseases; Ensure environmental sustainability; and Develop a global partnership for development (http://www.un.org/millenniumgoals/)

What was novel about the MDG strategy was not that there were clear goals and an announced timeframe to achieve them. What was new was that the MDGs were drawn up in the assumption that to attain desired development outcomes across the developing world it would be appropriate and welcome for both state and non-state actors – secular and faith-based – to work together purposively (Haynes 2007; Lunn 2009; ter Haar 2011). At this time, the world’s most influential and money-rich developmental agency, the World Bank, publicly accepted the need for a refocusing of developmental emphasis if development goals were to be widely achieved in the developing world. The Bank noted in its World Development Report 2000/2001 that adjustments were necessary at both global and national levels. While the Bank did not specifically mention faith-based organisations in the 2000/2001 Report, there was a clear inference to its recommendations: to achieve improved developmental outcomes it was necessary to employ all currently under-used human resources, including those potentially available from FBOs, especially at the grassroots level where ‘real’ development gains would be recorded.

It is important to note that to employ the potential of FBOs in achieving improved development was unexpected. As Lunn (2009: 937) notes, ‘religion, spirituality and faith have suffered from long-term and systematic neglect in development theory, policy making and practice, although there has been a noticeable turnover in the past 10 years.’ This is a pointer to the fact that in recent years – in the context of the end of the Cold War, deepening globalisation, 9/11 and assorted global financial crises – there was widespread speculation about how these multiple and multifaceted global changes would affect development outcomes in the developing world.

Another factor is that it was once widely assumed that nations would invariably secularise as they became ‘modern’. Loss of religious faith and increasing secularisation would dovetail with the idea that technological development and the application of science to overcome perennial social problems of poverty, environmental degradation, hunger, and disease would result in long-term human progress. However, it is plausible to surmise that lack of success in this regard was one of the factors behind the recent increased focus on the developmental role of religion in the developing world (Berger 1999).

Instead, contrary to the claims of secularisation theory, faith has had an increasing impact upon development outcomes in many parts of the developing world (Haynes 2007a; Lunn 2009; Mesbahuddin 2010). This is not to imply that faith has ‘only’ impacted upon development. It has also affected other – once thought to be primarily ‘secular’ – areas of human endeavour. First, religion is often used politically often as a vehicle of opposition or an ideology of community self-interest. Threats emanating either from powerful, outsider groups or from unwelcome symptoms of modernisation (such as, breakdown of moral behaviour and perceived over-liberalisation in education and social habits) may serve to

2 The full Millennium Declaration is at http://www.un.org/millennium/declaration/ares552e.htm
galvanise such groups. Second, failure of governments to consolidate programmes of
developmental improvements has also encouraged religious entities, some of which
developed specific faith-based agendas of solidarity and development. Examples include
Roman Catholic Basic Christian Communities found in Latin America and Africa, and
various Islamic development entities throughout much of the Muslim world.

The end result is that growing numbers of FBOs now seek to involve themselves in areas that
were long believed to be inherently secular areas of human activity, including development,
politics and social issues (Alkire 2006; Holenstein 2005; Marshall 2005a, 2005b; Haynes
2007; Rees 2009; ter Haar 2011). Today, in many countries and regions of the developing
world, FBOs work to help to deliver improved human development, including improved
social services for people for whom national or local governments cannot or will not assist
sufficiently. Some service-oriented FBOs in the Middle East and sub-Saharan Africa enjoy
annual budgets that may exceed those of agencies officially tasked by the state to deliver
popular social welfare (Ellis and ter Haar 2005; ter Haar 2011).

It is not the case, however, that such work undertaken by FBOs necessarily complements
unproblematically that undertaken by relevant secular state agencies. Alkire (2006)
emphasises that in relation to development, ideas of desirable outcomes expressed by leaders
of FBOs may differ significantly from those advanced by secular economic development
models, including those advanced by the World Bank. From a religious perspective secular
development programmes and policies – which have as their main objective increases in
measurable, material development outcomes – are ‘one-eyed giants’. This is because secular
development models seek to ‘analyse, prescribe and act as if man could live by bread alone,
as if human destiny could be stripped to its material dimensions alone’ (emphasis in original;
Goulet 1980, quoted in Alkire 2006). Such concerns are reflected in the views of those whose
ideas reflect specific religious perspectives. For example, writing from an Islamic viewpoint,
Seyyed Hussein Nasr focuses on the link between modernisation and development, and
emphasises how important it is that to be meaningful ‘development’ must have a strong
spiritual dimension. For Nasr, ‘development’ without spirituality is a fatal distraction,
distancing Muslims from their true religious/spiritual nature, and at best delivering
development only concerned with material concerns an outcomes (Nasr 1967, 1975, 1996).

Another example of development as a spiritual endeavour comes from Roman Catholic social
teachings, which have also articulated a faith-based view of development. This emphasises
the contributions of ‘spiritual disciplines and of ethical action to a person’s “vocation to
human fulfilment”’, addressed alongside contributions made by markets, public policy, and
poverty reduction’ (Alkire 2004: 10). Concern about the goals and purpose of human
development from another Roman Catholic perspective, liberation theology, regards
structural developmental and political injustices to be solvable by popular engagement from
Roman Catholics, engaging with political and economic institutions to try to achieve better
outcomes for those at the bottom of the pile. A Peruvian priest, Gustavo Gutierrez, famously
articulated liberation theology in his 1973 book, A Theology of Liberation. History, Politics
and Salvation.

Finally, other religious faiths, including Judaism and Buddhism, have also advanced similar kinds of development interpretations to that of Gutierrez, collectively
underlining that the world faiths (Buddhism, Christianity, Hinduism, Islam and Judaism) all
perceive the issues rather similarly in the context of human development. Distinctive
‘liberation theologies’ have been articulated in both Judaism and Buddhism by some other
world faiths. Various popular books have explicated similar people-centred, faith-based,
development perspectives (See, for example, Klicksberg 2003 and Sivaraksa 1993; for an
overview, see Marshall 2011).
Views of development from, on the one hand, faith-based and, on the other hand, secular, perspectives have not traditionally see eye to eye. But this is not surprising when we consider that traditionally (secular) development strategies have been designed and devised by (secular) Western policy makers for various, including strategic, reasons. For a long time, there was no consistent awareness that when secular policy makers try and make policy for religious people then they are likely to fail. Recently, as Mesbahuddin (2010) notes, attempts have been made ‘to restore some of that imbalance by incorporating cultural issues and religious values into the international development policy network, but hostilities remain’. In particular, there are two problems to deal with: first, Western (secular) development policies and practices continue to be articulated within a predominantly neoliberal and secular framework which necessarily curtails the input from other ideological viewpoints, including faith-based views. Second, within developing countries there may be hostility from government towards the idea of bringing in faith actors into discussions about development policy. Finally, there are often divisions between faith communities within countries and as a result it may be difficult to develop a faith-focused development model which is inclusive and does not serve to reinforce pre-existing social and faith divisions.

The World Bank, Faith and Development

During the second half of the 1990s, the then president of the World Bank, James Wolfensohn, emerged as a champion of increasing the role of FBOs in development policies and programmes. There were two main reasons for this. First, Wolfensohn saw failure to involve FBOs in development as irrational, given their great importance to many people in the developing world. Second, this was a time when the Bank was actively seeking to engage with civil society, following criticism that the Bank was not willing to listen to voices from below during the furore about SAPs (Interview with senior World Bank figure, 23 January 2012). It is not however the case that the Australian Wolfensohn was especially religious – he is actually a non-practising Jew – and so his wish to involve FBOs in development was not because of his own faith inclinations; it was largely instrumental, a missed opportunity to harness potentially productive resources for improved development outcomes. For Wolfensohn, faith could play an important role in two main ways in relation to development:

- **Bottom up pressure on policy makers and consequential influence on policy formation.** This could occur by engendering and/or influencing policy makers values and outlooks, in turn affecting formulation of specific development policies;
- **Bringing together or dividing communities along faith lines.** This could either improve or worsen pre-existing social and/or political conflicts centring on access to improved development opportunities.

The second bullet point suggests that Wolfensohn did not believe that building three-way relationships between governments, secular development agencies and FBOs would be unproblematic. Yet he saw involvement of FBOs in development as rational for the following reasons:

- **FBOs of various kinds - including, churches, mosques, religious charities and religious movements – are important aspects of civil society in most developing countries.** Their involvement in development policies and programmes could potentially help achieve improved development.
• FBOs already play a key role in providing education and welfare in many developing countries, so it seems logical to involve them in development issues and outcomes.
• FBOs may share many values. Coming together in pursuit of development could help to only to achieve improved development outcomes but also as a result assist religious/cultural understanding in developing countries.

For Wolfensohn,

[t]his is a powerful idea—to tap the strengths of religions as development actors. Consider economics, finance and administration as disciplines that are deeply ethical at the core....they are about poverty reduction and employment creation. A vision without a task is boring. A task without a vision is awfully frustrating. A vision with a task can change the world

(http://web.worldbank.org/WEBSITE/EXTERNAL/EXTABOUTUS/ORGANIZATION/EXTPRESIDENT2007/EXTPASTPRESIDENTS/PRESIDENTEXTERNAL/0,,contentMDK:20091872~pagePK:139877~piPK:199692~theSitePK:227585,00.html)

During his presidency of the Bank between 1995 and 2005, Wolfensohn was the driving force behind the establishment of various initiatives with FBOs, which began with the building of a relationship with the Geneva-based, World Council of Churches.³ Wolfensohn also created two World Bank faith-focused entities in 1998: the World Faiths Development Dialogue (WFDD)⁴ and the Development Dialogue on Values and Ethics (DDVE).⁵ Following initial informal discussions, the Bank’s formal dialogue with the WCC began in early 2002, continuing until August 2008, with a meeting in Accra, Ghana, which also involved the IMF. Since then, however, no further three-way meetings have taken place between the organisations and, at the current time, none are planned (‘The WCC-IMF-WB high-level encounter’, 2004; http://www.imf.org/external/np/str/bl/2008/090308.htm). The WCC was very sceptical about the desirability of establishing dialogue with the World Bank, with ‘far-ranging reservations about the motivations, governance structures, policies, and programs of the Bretton Woods institutions’, including the World Bank (Marshall and Van Saanen 2007: 196; World Council of Churches 2001).

A four-day meeting held in Canterbury, England, in July 2002 highlighted problems of how to develop fruitful relationships in pursuit of improved development outcomes between governments, secular development agencies and FBOs. Jointly led for the Bank by

³ The WCC was founded in Amsterdam in 1948. It is an international, interdenominational Christian organisation which brings together around 350 - Protestant, Anglican, and Eastern Orthodox - churches. WCC headquarters are in Geneva.
⁴ According to the WFDD website, ‘The World Faiths Development Dialogue was set up in 1998 as an initiative of James D. Wolfensohn, President of the World Bank and Lord Carey, then Archbishop of Canterbury. Its aim is to facilitate a dialogue on poverty and development among people from different religions and between them and the international development institutions’. The focus is on the relationship between faith and development and how this is expressed, both in considering decisions about development policy and in action with impoverished communities all over the world.’ (http://www.wfdd.org.uk/)
⁵ The DDVE was a small unit at the World Bank whose purpose was to contribute to analytical work, capacity development and dialogue on issues related to values and ethics. Founded in 2000, for the next decade the DDVE served as the World Bank’s focal point on the intersection of religion and development. In addition, the unit led a number of projects related to prominent development issues, such as the current economic crisis in Africa, with a focus on the difficult distributional trade-offs faced by various development actors in dealing with these issues. The DDVE was disbanded in July 2011 without replacement. (http://web.worldbank.org/WEBSITE/EXTERNAL/EXTABOUTUS/PARTNERS/EXTDEVDIAGLOUE/0,,contentMDK:21966758~menuPK:5554943~pagePK:64192523~piPK:64192458~theSitePK:537298,00.html).
Wolfensohn and for the global Anglican Church by its then head, Archbishop George Carey, the meeting brought together individuals from 15 developing countries, including faith participants. The director of the WFDD, Michael Taylor, led the consultation. World Bank representatives were among the observers at the meeting; the IMF was invited to participate but in the event due to diary clashes no representative could be present. The meeting’s main purpose was to gain an initial understanding of how FBOs could make their views on development known consistently to the Bank and the IMF, and how this information could be factored into policies and programmes, especially in relation to poverty reduction strategies in the developing world (World Faiths Development Dialogue 2003). In addition, the meeting also focused on a range of human development issues, including the potential for FBOs to help more generally to improve development outcomes.

The gathering brought together an impressive group of religious leaders, key development organisations, and individuals from the secular private sector, including the worlds of entertainment and philanthropy. Discussions and presentations at the meeting focused on key development problems identified in the Millennium Declaration, including: education, poverty, HIV/AIDS, gender, conflict, and social justice. Participants discussed various dimensions of and developmental ramifications of globalisation, including its differential impact on rich and poor countries. Participants noted that poverty, HIV/AIDS, conflict, gender concerns, international trade and global political issues link all the world’s countries and peoples. This not only highlights the existence of a global community in an abstract sense but also more practically the importance of shared responsibility and partnership in fighting shared problems to deal with collective problems facing humanity. The overall conclusion was that more needed to be done to move from expressions of solidarity in the face of shared problems to the realisation of practical programmes and policies drawing on collaboration between FBOs, secular development agencies, and governments (Marshall and March 2003).

Several faith participants not only emphasised that poverty is a complex phenomenon but also stressed that many people regard the importance of freedom and a satisfying life as a higher priority than simple gains in income or improvements in social indicators (Marshall and Keough 2004). For example, according to a Sri Lankan at the meeting, aspirations of Buddhist Sri Lankans differ from those of people living in secular Western countries who are, according to him, singularly focused on economic growth. The Sri Lankan commented that in his country: ‘The middle path, path to the human liberation in Buddhism, guides people for a simple, happy and content life’ (Tyndale 2004; also see Marshall 2011). In addition, two African participants highlighted that in popular perceptions of relative importance, opportunities in life can rival wealth acquisition in terms of popular priorities. A Tanzanian underlined the significance of rights in alleviating poverty, especially social well being, as well as those related to security, justice, freedom, peace and law and order. In relation to Zambia, a speaker claimed that opposition parties were weak and ‘only the [Catholic] Church speaks out’. More generally, Catholic social teaching was said to be a key source of inspiration for many Zambians, with its focus on human dignity particularly important in contrast to the view that ‘economic growth equals development’ tout court. The Zambian participant also stressed that ‘if growth does not benefit the human being, then it is not development at all’ (Tyndale 2004).

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6 A 1996 amendment to the constitution declared the country a Christian nation while also providing for freedom of religion. About 85% of Zambians are Christian, 5% Muslim, 5% subscribe to other faiths, including Hinduism, Bahá’ísm, and traditional indigenous religions; and 5% profess no religious faith.
Between 2000 and 2006, Dr. Katherine Marshall was head of the DDVE. In that capacity, she served as Mr Wolfensohn’s right-hand woman in relation to faith issues. Earlier, in 1997-98, she had led the Bank’s work on social policy and governance during the East Asia financial crisis years, while also working extensively on Eastern Africa and Latin America. Working for the Bank between 1971 and 2006, Marshall was involved over the years in many Bank task forces and issues, among them exercises addressing leadership issues, conflict resolution, the role of women, and issues for values and ethics. According to Marshall (2005a), the Bank did not believe ‘that religion and socio-economic development belong to different spheres and are best cast in separate roles – even separate dramas’. Her observation was based on recognition that around the world many religious organisations and secular development agencies have similar key concerns, including: how to improve (1) the lot of materially poor people (2) the societal position of those suffering from social exclusion, and (3) unfulfilled human potential in the context of glaring developmental polarisation within and between countries. In other words, while faith was often once understood as ‘otherworldly’ and ‘world-denying’, there was growing agreement between the World Bank and other secular financial organisations, including the IMF, that increasing cooperation with faith-based organisations could usefully contribute to the achievement of developmental goals, not least because issues of right and wrong and social and economic justice are central to the teachings of the world religions (Interview with former senior IMF employee, 30 January 2012). This was reflected during Wolfensohn’s presidency, in a major Bank initiative, ‘Shaping the Agenda – Faith & Development’, with three main areas of ‘faith’ dialogue: (1) Building bridges - stronger, bolder partnerships (2) Exploring a more ‘comprehensive’, ‘holistic’, and ‘integrated’ vision of development, and (3) Transforming dialogue into practice and action (‘JDW - Faith and development’, 2011; Interviews with former and current senior World Bank employees, January 25, 26, 27, 2012)

In addition to these World Bank initiatives, several other United Nations agencies were also active at this time developing dialogue with FBOs. The International Labour Organisation (ILO) and the IMF each began a dialogue with the World Council of Churches. An affiliate of the World Bank, the Inter-American Development Bank (IDB), started an initiative entitled, ‘Social Capital, Ethics, and Development’. In this context, the IDB ‘approached religious leaders to try to win the backing of their moral authority …for its campaign in Latin America against corruption’ (Tyndale 2004: 2). In addition, the United Nations Fund for Population Activities (UNFPA) sought to build links with various faith leaders, including Muslim imams in sub-Saharan Africa and Bangladesh (‘Married adolescents ignored in global agenda, says UNFPA’, 2004) The UNFPA also collaborated more widely with religious leaders in sub-Saharan Africa via a dialogue characterised by sensitivity and respect, educational programmes and programmes for women’s empowerment were instituted. Overall, as Tyndale notes, such collaborations became possible when both ‘sides’ – that is, secular development agencies and FBOs – accepted that neither alone had the entire answer to development quandaries (Tyndale 2004: 6). A wider point is that during the 1990s and early 2000s, several UN agencies began to take faith engagement seriously and sought to build relationships with faith leaders in developing countries.

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7 Currently a visiting professor at Georgetown University, Washington, DC, Katherine Marshall served as senior advisor for the World Bank on issues of faith and development. Her long career with the World Bank (1971-2006) involved a wide range of leadership assignments, many focused on Africa. From 2000-2006 her mandate covered ethics, values, and faith in development work, as counsellor to the World Bank’s then president, James Wolfensohn.
Despite this development within the UN, the building of functional relationships with faith entities within the Bank, did not develop according to Wolfensohn’s pro-faith focus. This was partly due to the strong secularist bias within the top echelons of the bank, which meant that few – if any – senior Bank figures openly sided with Wolfensohn in his pro-faith initiative, and partly because it was difficulty practically to be clear how faith would factor into development policies and programmes. Many Bank operatives believed that faith issues are inherently divisive, frequently leading to complications and strife within developing countries. Conventional wisdom in the Bank was and is that to serve humanity and improve development outcomes is most likely to be achieved primarily through secular development vehicles (Interviews with former and current senior World Bank employees, January 25, 26, 27m 2012). This scepticism significantly undermined chances of developing and institutionalising Bank-FBO dialogue and initiatives. While I have not yet undertaken the necessary research to be clear on this issue, my initial findings are that something similar occurred in relation to the IMF, and perhaps other UN agency initiatives, which overall tended to slow down, diminish or even stop development of functional relations with FBOs (Marshall, 2005a; Marshall, 2009; Haynes, 2007; ter Haar, 2011; Interview with former senior advisor to ex-IMF chief, Michel Camdessus, 24 January 2012).

FBOs faced particular challenges not only in integrating their perspectives into the policies of the Bank and IMF but also more generally into pro-development activities at the level of civil society. This point can be illustrated by identifying problems which surfaced when trying to institutionalise relations between, on the one hand, governments, the World Bank and the IMF in the early 2000s, and, on the other, assorted faith leaders. A focal point in this regard was a joint World Bank/IMF initiative, the Poverty Reduction Strategy Paper (PRSP), introduced formally in 1999 in the build up to the Millennium Declaration of 2000 and introduced to try to deal with the poverty ramifications of bank-endorsed reform programmes. The PRSP was an approach, developed by the Bank, to try to guide growth and poverty reduction within explicit strategic frameworks tailored for each client country. The overall purpose of a PRSP was to outline a comprehensive strategy to encourage growth and reduce poverty in a developing country, in order to collect together different actors’ priorities and analyses – collectively working under the general rubric of ‘development’ – with the intention of increasing chances of complementarity and coherence. In pursuit of this goal, wide-ranging consultations with prominent figures and organisations were held in each affected country. Overall PRSP consultations: (1) sought to adopt growth and development strategies deemed to be ‘economically rational’, while (2) aiming to ensure that the policies and programmes that result were compatible with what a country’s people regard as developmentally appropriate and sustainable. Once consultation was concluded, a PRSP would be finalised. The World Bank, along with input from the IMF, would assess the strengths of the PRSP as the basis for a country to receive associated loans and credits (Levinsohn 2003).

Civil society’s participation was seen as both essential and central in relation to PRSP design, and some FBOs were recognised as potentially important factors in PRSP formulation and execution. On the other hand, there was no coordinated strategy to engage FBOs in PRSP processes, nor necessarily wide-ranging discussions to ascertain their views and evaluate relevant experiences. The reason for this was that PRSP processes were primarily designed and led by governments, in discussion with the Bank, and many developing country governments were openly reluctant actively or formally to seek FBO views, despite the fact that in each country adopting a PRSP, selected FBOs were officially designated to be consulted during the consultation and participation process (World Faiths Development
Dialogue 2003). This reluctance to engage with FBOs was also notable in an attempt in 2000, set in train by James Wolfensohn, to institutionalise the involvement of FBOs in World Bank programmes and policies. Neither Wolfensohn nor Marshall expected the idea to be especially controversial, yet there was little overt support for the policy from the Bank’s Executive Committee (EC). While there is no truth in the claim that the idea was vetoed 24-0 by the EC (Rees 2011), the lack of support for the initiative encouraged Wolfensohn to drop the idea (Marshall 2005a; Interview with former senior World Bank employee, 27 January, 2012).

It is possible to see the failure to adopt Wolfensohn’s proposal as the beginning of the end of the Bank’s formal development involvement with selected FBOs. Over the next decade, from the early 2000s until the present time, the Bank showed diminishing enthusiasm for developing relationships with selected FBOs, including the WCC and the Anglican Church. Waning enthusiasm became clear as soon as Wolfensohn stepped down the from the Bank’s presidency in 2005. The next president, Paul Wolfowitz (2005-2007), showed no interest whatsoever; neither did his successor, Robert Zoellick (2007-2012). In addition, Wolfensohn’s vehicles to institutionalise and focus the Bank’s efforts in relation to FBOs - the World Faiths Development Dialogue (WFDD) and the Development Dialogue on Values and Ethics (DDVE) – began to lose importance within the Bank once he stepped down. The WFDD was hived off from the Bank in 2006. Led by the recently retired Katherine Marshall, it resurfaced as a non-governmental organisation, based at Georgetown University, Washington DC. The DDVE, under the direction of Quentin Wodon, was disbanded in 2011, leaving the Bank with no institutional interface with faith or FBOs. This does not imply however that if, for example, a government or World Bank country representative takes the initiative for operational reasons to engage with a FBO, then it would be forbidden (Interview with senior World Bank employee, 2 February, 2012). In addition, where FBOs are long term important elements in civil society, for example in Zambia and Indonesia, both highly religious countries, then their continued involvement would be seen as both appropriate and desirable (ibid.). The overall point is that from the early 2000s the perceived desirability of engaging formally and institutionally with FBOs as part of the Bank’s development strategy over time diminished considerably and eventually seemed to be virtually non-existent. There were three main reasons for this:

- Falling support within the Bank for engaging with FBOs on a regularised basis.
- Many developed country governments did not welcome regularised or institutionalised involvement of FBOs in development, a concern shared by governments of many developing countries;
- Difficulties of reconciling different ‘secular’ and ‘faith-based’ visions of development both in theory and practice.

**Conclusions**

This paper has explained that, from the mid-1990s until the mid-2000s, various secular development agencies, notably the World Bank, and also the IMF, ILO, IDB, and the UNFPA, sought to engage with selected FBOs in pursuit of improved development outcomes in the developing world. This followed collective realisation among the UN agencies that secular and religious entities often share similar development concerns, especially commitment to poverty alleviation, as a crucial first stage in overall improved development

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8 The WFDD’s website is at [http://berkleycenter.georgetown.edu/wfdd](http://berkleycenter.georgetown.edu/wfdd)
outcomes, including better human rights. This common ground linked them to a growing consensus – among UN agencies, many governments and numerous civil society organisations in both the developing and developed countries – which led to the UN-sponsored Millennium Declaration and subsequent Millennium Development Goals, for implementation between 2000 and 2015.

The main question we examined in this paper was: Why did the World Bank seek to engage with selected FBOs in pursuit of improved development from the late 1990s and why did this enthusiasm then wane and then, to all practical purposes, fade away? We saw that an important, albeit general reason, for increased Bank interest in the role of faith in development was that, after half a century, secular development policies and programme had led to disappointing outcomes in many parts of the developing world and the senior figures at the Bank, especially the then president, James Wolfensohn, accepted that something new and different should be tried to improve outcomes. Given that confidence in governments seems to be declining in many developing countries and that trust in religious leaders and organisations may be growing, it is likely that many ordinary people in the developing world now believe that it is entirely appropriate that at least some FBOs should have a consistent and significant voice in development questions and strategies. On the other hand, it is very likely that most donor governments regard faith’s involvement in the public realm, including in relation to politics and development, with apprehension or suspicion or both. This perception is often linked to what they see as a more problematic general involvement of faith in the public realm.

Second, there are marked differences in perceptions of poverty and development between FBOs, on the one hand, and government and secular international development agencies, such as the World Bank, on the other. That is, while governments and secular international development agencies still overwhelmingly prioritise economic growth in development, FBOs and their leaders often see things very differently: FBOs tend to prioritise a range of ways of understanding the notions of poverty-reduction and development, including those informed by spiritual concerns, over and above achievement of higher incomes. The key practical question is how and in what ways the World Bank, IMF, and other secular development agencies, as well as governments, can constructively integrate faith perspectives into poverty reduction strategies and pro-development policies? Or, to put it another way, how and in what ways can faith constructively influence governmental and secular development agencies’ perspectives on poverty reduction strategies and by extension development? It is apparent, however, that this is going to be a difficult issue to resolve – not least because religions often do not view poverty reduction as the central question in the creation of more fulfilling, sustainable lifestyles. Instead, they afford most importance to achievement of wider spiritual and religious goals.

Was the focus of the Bank on FBOs for a decade from the mid-1990s due primarily to the personal interest of the then president, James Wolfensohn, or has faith had a longer term and continuing impact on programming at the Bank? Put another way, are faith issues now ‘mainstreamed’ into its activities, as the Bank now claims, leading to discernible and continuing ‘traces’ of faith in the Bank’s development strategies? The answer to this question is not clear. Certainly, during my research for this paper, I did not find clear evidence that the Bank now includes faith-based concerns in relation to development outcomes as a generally relevant concern and approach. On the other hand, it is equally unclear just what evidence would be necessary to uncover in order to be sure that faith is ‘mainstreamed’ in the Bank’s development activities. Further research is necessary to shed light on this important question.
Finally, while often paying lip service to the involvement of faith in development, it may be that both governments and, to an extent, secular development agencies, such as the Bank, either lack ability or are simply not interested in integrating alternative – including faith-based – perspectives into wider development programmes and policies, including poverty reduction strategies. Over the years, this issue has often strained relationships and undermined confidence between international development agencies, including the World Bank and faith actors, with secular development agencies’ own biases adding a layer of complexity; and this continues to curtail not only vigorous and constructive debate about poverty and how to reduce it but also to stymie development of comprehensive development programmes that can consistently draw on both secular and religious insights.
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**INTERVIEWS**

Interviews on the topics discussed in this paper were undertaken with current and former World Bank and IMF employees in Washington, D.C., between 23 January and 2 February 2012, and on 5 May 2012. All of those interviewed have had direct experience with faith issues and development during their time as employees of the World Bank or the IMF. Most were happy to have the interviews recorded. I provide a list of interviewees below. However,
many interviewees were uncomfortable with the idea that I would refer to them by name in the paper, linking them with specific ideas or comments. Consequently, I refer to interviews in the text generically and anonymously. Finally, I contacted the WCC to ask for an interview on the issues raised in this paper but the WCC chose not to respond to my request.

List of interviews

Andrew Steer, World Bank Special Envoy for Climate Change, 23 January and 2 February, 2012, Washington, DC.

Roberto Braunig, formerly IMF External Relations Department and adviser to Michel Camdessus, Managing Director of the IMF (1987-2000), 24 January, 2012, Washington, DC.

Quentin Wodon, head of the Development Dialogue in Values and Ethics at the World Bank (November 2008-July 2011), 25 January, 2012, Washington, DC.

Paul Cadario, Senior Manager at the World Bank, 25 January, 2012, Washington, DC.

John Garrison, Senior Civil Society Specialist at the World Bank, 26 January, 2012, Washington, DC.

Katherine Marshall, Director, Development Dialogue on Ethics and Values and Counsellor to the President (July 2000-2006), 27 January, 2012, Washington, DC.

Lynn Aylward, former International Economist at the IMF, 30 January, 2012, Washington, DC.

Vasuki Shashtry, Chief of Public Affairs at the IMF, 31 January, 2012, Washington, DC.

Stewart James, Alternate UK Executive Director at the World Bank, 2 February, 2012, Washington, DC.

Robert Calderisi, World Bank’s Country Division Chief for Indonesia and the South Pacific (1987-89), head of the Bank’s Regional Mission in Western Africa in the Ivory Coast (1991-94), the Bank’s international spokesman on Africa (1997-2000) and Country Director for Central Africa (2000-2002), 5 May, 2012, Oxford, UK.