



# Structural Adjustment Participatory Review International Network

## MEDIA ADVISORY

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### Citizens' Challenge to Structural Adjustment

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## WORLD BANK STAYS DESTRUCTIVE COURSE DESPITE CONTRARY FINDINGS OF JOINT INITIATIVE

### *Belies Claim to Be Interested in Meaningful Engagement with Critics*

As protesters against those managing the economic globalization process returned from the streets of Genoa this week, an international network involving thousands of grassroots and other non-governmental organizations presented the World Bank with a draft report documenting the devastating consequences that Bank's economic policies have had in countries on four continents.

Two dozen network representatives from 15 countries, including many of the Bank's sharpest critics, met with Bank officials on Monday and Tuesday to discuss the findings emanating from a multi-year participatory investigation and grassroots consultative process taken jointly with the Bank and governments. The initiative, known as SAPRI, was launched with then-new World Bank president James Wolfensohn in 1997 and has been funded by European governments, the European Union, the United Nations and several U.S. foundations.

At the 30-31 July meeting, held at the World Bank, Bank officials acknowledged that their institution made significant mistakes in the design and promotion of a broad range of policies, which had tragic consequences for domestic enterprises, workers, and poor and many middle-class families, as well as for the environment. They provided, however, no indication that they are ready to change course.

The report of the global network, known as SAPRI, details how such policies as indiscriminate and precipitous privatization, trade and financial liberalization and labor-market "flexibilization" have affected these and other sectors and population groups. While the Bank was an active participant in the organization of the in-country SAPRI work, it insisted on preparing and presenting its own global report. That report draws most of its material from other Bank studies rather than from the SAPRI investigations.

(more)

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SAPRIN representatives reproached the Bank for being unwilling and unprepared to adopt any of the fundamental findings from a process to which Wolfensohn had committed his institution. SAPRIN members also criticized the Bank throughout the proceedings for the virtual absence of senior management. Ironically, at the time of the meeting, the Bank's president was in Australia claiming to be interested in listening to serious-minded critics who prefer dialogue to violent confrontation.

"Our expectations were not high," said Ivan Cisneros, noting the Bank's general intransigence regarding changes in its practice of imposing a set of economic measures, known collectively as structural adjustment, as a condition for lending to client countries by the Bank and all other official institutions. "We were surprised, however, not only by how unforthcoming the Bank was, but also by how unprofessional its Washington leadership was and has been throughout this endeavor." Cisneros is the coordinator of SAPRIN in Ecuador, where adjustment policies have gutted the productive sector, sending the country into economic and financial crisis.

"It is clear," said Lidy Nacpil of the Philippines and a member of SAPRIN's Global Steering Committee, "that the Bank is incapable, for political and bureaucratic reasons, to hear, much less respond to, the insights and priorities of people around the world affected by its policies. Many of us have also been in the streets, in the South and the North, to bring public attention to the social, economic and environmental devastation it has wrought. We now know that this is the only way, other than cutting its resource base, to put an end to its calamitous and undemocratic practices."

SAPRIN's final report will be completed in time for its release at a SAPRIN conference at the end of September, preceding the Bank/IMF Annual Meetings in Washington and following the formality of presenting it to the Bank's president. "It will serve as a tool in the global effort to hold the World Bank and its sister international financial institutions accountable," said Doug Hellinger, SAPRIN's global coordinator.

"Not only are there hundreds of pages of evidence in the country reports and global synthesis of the Bank's policy failures, but that evidence emanates from an initiative in which the Bank was a full partner. Furthermore, this documentation shows that civil-society organizations, in close contact with the grassroots, are perfectly capable of participating effectively in the process of economic policymaking."

"Perhaps most importantly," Hellinger added, "SAPRI has spawned an international network and incipient social movement with extensive reach, understanding and knowledge. In the months ahead, SAPRIN will be expanding its mobilizing and advocacy efforts while shaping alternative, viable and more just economic policies nationally and globally."