



# Structural Adjustment Participatory Review International Network

16 April 2004

Mr. James Wolfensohn  
President  
The World Bank  
1818 H Street, NW  
Washington, DC 20433

Dear Mr. Wolfensohn:

On behalf of thousands of civil-society organizations that engaged the World Bank in an investigation of the impact of structural adjustment policies, we are writing to express our frustration and anger at the institution's continued imposition of these policies on the countries of the South and Eastern Europe in the face of clear evidence of their destructive nature and impact. Over the past decade, far from reducing poverty, adjustment programs have resulted in increased poverty and economic inequality, as well as numerous economic crises.

When the SAPRIN civil-society steering committee decided to engage the Bank in the Structural Adjustment Participatory Review Initiative (SAPRI) in 1996, you wrote that you were looking for "a different way of doing business in the future" in light of the difficulties that the Bank had confronted in its policy-reform operations. You also requested our help in achieving this end. Mobilizing hundreds of organizations in each of ten countries and utilizing funds from independent sources, we worked diligently for over five years with the Bank, carrying out participatory research and introducing your staff to the harsh realities engendered and exacerbated by adjustment measures around the globe. Based on that research, the Bank co-authored reports with SAPRIN that clearly demonstrate the failure of these policies. Unfortunately, the Bank chose to ignore the findings of this joint global investigation, as it has systematically dismissed other evidence of the failure of adjustment programs of the past quarter century to deliver promised results.

When the SAPRI report attracted media attention in Europe two years ago, you requested a meeting with our global steering committee and made commitments to start the process of promoting and supporting more inclusive economic decisionmaking processes around the globe. The Bank has since failed to honor those commitments, as the SAPRIN networks in Ghana, Uganda, Bangladesh and Ecuador waited in vain for months for your staff to act on your specific instructions to help incorporate civil-society organizations in those countries into the economic-policymaking component of the IFI-mandated Poverty Reduction Strategy Papers (PRSPs) or the Bank's Country Assistance Strategies (CASs). In fact, in Ecuador, Bank management stonewalled a serious attempt by SAPRIN leadership last year to involve civil-society organizations in the formulation of an economic-policy program with the new government. As a result, and despite the damning critique in SAPRI of the country's adjustment program, the new CAS intensifies that program and increases the use of Bank loans toward that end.

Secretariat c/o The Development GAP  
927 Fifteenth Street, NW, Washington, DC 20005 USA  
Tel: 202/898-1566 – Fax: 202/898-1612  
E-Mail: [secretariat@saprin.org](mailto:secretariat@saprin.org) – Web: [www.saprin.org](http://www.saprin.org)

In light of this, the Bank's current rhetoric about the importance of civil society rings hollow for the thousands of groups and individuals who contributed to the SAPRI national exercises without remuneration but with the expectation that the Bank would make changes based on a better understanding of the impact of adjustment policies on their lives. Unfortunately, this lack of respect on the part of the Bank for the needs, priorities and efforts of ordinary citizens -- as well as for the compelling evidence that emerged from joint undertakings -- has not been limited to the SAPRI experience, but has also been demonstrated in the aftermath of the World Commission on Dams and, thus far, the Extractive Industries Review.

Despite changes in the names of its economic-policy operations, the Bank continues to insist on adherence to far-reaching liberalization, privatization, deregulation and related adjustment policies as conditions of its loans to borrowing countries. And, in spite of the crushing toll that these policies have taken on the productive capacity and social fabric of these countries, the PRSPs that the Bank promotes have proven to be facades for the continued imposition of structural adjustment rather than serious, participatory attempts at poverty reduction. Furthermore, it now appears that, civil-society opposition notwithstanding, new policy guidelines will be adopted at the Bank that will further entrench adjustment conditionality for the final year of your presidency and beyond.

Our organizations have put the World Bank to a test, a test that it has badly failed. It has missed an opportunity to act decisively with and on the side of the people whom its mandate and common decency call upon it to assist. A generation of development and progress has been lost to the prescriptions of the IFIs. As the newly published *Structural Adjustment: The SAPRI Report* spreads the SAPRI findings worldwide, we are all the more committed to the struggle for economic self-determination and participatory development that we share with millions of others around the globe, with or without the support of the Bank. We will continue to look for and work with people of good faith, who, whether they be in official or unofficial capacities, are dedicated to helping us open the space needed by civil society to participate actively and fully in the shaping of economic policies that fit the needs of our respective societies.

Sincerely,

Members of the SAPRIN Steering Committee:

Jorge Carpio  
FOCO/Argentina

John Jones  
Ignis Foundation/Norway

Atherton Martin  
The Development  
Institute/Dominica

Ivan Cisneros  
IEDECA/Ecuador

Godfrey Kanyenze  
Zimbabwe Congress of  
Trade Unions

John Mihevc  
Kairos & Halifax  
Initiative/Canada

Susana Cruickshank  
Equipo PUEBLO/Mexico

Mahbubul Karim  
PROSHIKA/Bangladesh

Lidy Nacpil  
Freedom from Debt  
Coalition/Philippines

Yao Graham  
ISODEC/Ghana  
Third World Network-Africa

Karoly Lorant  
SAPRIN/Hungary

Doug Hellinger  
The Development GAP/USA

Muriel Mafico  
SAPRIN/Zimbabwe

Ann Kathrin Schneider  
WEED & Eurodad/Europe