

September 24, 2005

For Wolfowitz, Poverty Is the Newest War to Fight

By [EDMUND L. ANDREWS](#)

WASHINGTON, Sept. 23 - Three months into his new job as president of the World Bank, Paul D. Wolfowitz caused heartburn this week for some former colleagues in the Bush administration.

As finance ministers from around the world began three days of discussions here on Friday, officials closed in on an international agreement to wipe out \$18 billion in debt for some of the world's poorest countries. [Page C6.]

But that agreement came only after Mr. Wolfowitz publicly sided this week with officials from other countries who warned that the [United States](#) might back away from the full cost of debt relief for the poorest countries.

The quiet power struggle is part of Mr. Wolfowitz's transformation from an architect of the United States' war in [Iraq](#) to a champion for the world's poor.

Mr. Wolfowitz repeatedly called this week for "stronger commitments" by rich countries to reimburse the World Bank for lost loan repayments. He also pointedly suggested that Congress demonstrate American commitment by passing an authorization bill to cover the future costs.

"It's not that they aren't sincere," he told a group of reporters. "But time passes, and I think it's very important to keep them accountable."

American officials said that the United States made good on its promises. Hoping to mollify countries like the [Netherlands](#), which was quietly backed by Mr. Wolfowitz, the United States produced a joint letter promising to reimburse the World Bank dollar-for-dollar on all lost repayments.

Since taking over at the World Bank, Mr. Wolfowitz has called on rich countries to provide more foreign aid. He has cultivated ties with antipoverty groups like Oxfam International and Data, the advocacy group founded by Bono, the rock star.

He has placed a new priority on Africa, but he also talks about goals like expanding opportunities for women, fighting corruption and improving governance in poor countries.

"It's not just about inputs of capital and labor," he said. "It's about a whole range of factors, and many are not traditional economic ones."

Not surprisingly, Mr. Wolfowitz has gone out of his way to reassure political leaders and antipoverty advocates who expressed concern that he would turn the World Bank into a tool of American ideology.

Some longtime campaigners against global poverty, often sharp critics of American policy, say their first impression has been good.

"It appears that he is committed to health and education, which are nearly all of the millennium development goals," said Max Lawson, policy adviser to Oxfam International, referring to goals on poverty reduction and education spelled out by members of the United Nations. "We'll be watching him very closely over the next few months to see whether he follows up on that."

But some experts said they were worried that Mr. Wolfowitz might prove too ambitious. If there is a link between his role in the Iraq war and his role at the World Bank, they caution, it may be in his fervent belief in the ability to impose democracy on countries from the outside.

"The idea that you can spread democracy by either military intervention or through the World Bank is folly, pure folly," said William Easterly, a former director of research at the World Bank and a critic of the bank's policy failures.

"What I'm afraid of is that the World Bank will have more of what it already suffers from, which is mission creep - getting involved in sweeping international causes that sound good without any evidence to show they can be accomplished."

Mr. Wolfowitz has not forgotten about Iraq. Earlier this week, he confirmed a report in The Washington Post that he was considering sending World Bank staff members into Baghdad for the first time in two years. The bank has pledged about \$500 million in aid to Iraq, but withdrew its people after insurgents blew up the United Nation's mission there and killed its top envoy.

Still, Mr. Wolfowitz, the former deputy secretary of defense, has focused most of his attention elsewhere. He traveled to Africa in the summer, shortly after taking over the bank, and declared that it would be a "special emphasis" for the bank.

Moving cautiously, he has often sounded the same themes as his predecessor, James D. Wolfensohn. Like Mr. Wolfensohn, Mr. Wolfowitz talks about the importance of reducing corruption in poor countries and promoting opportunities for women.

But he has also hinted at a heavier emphasis on new agriculture technology, promoting the idea of a "green revolution" for Africa. And he has hinted at a renewed emphasis on infrastructure like roads, water systems and power plants.

Infrastructure projects are a sensitive issue for the World Bank, which retreated from them after being

criticized for financing giant bridges and dams that critics said did little to relieve poverty and damaged the environment.

"We've learned a lot from our past mistakes," Mr. Wolfowitz acknowledged this week. But, he said, entrepreneurs and farmers could not begin to realize their potential if they lacked electricity, clean water or roads to move their products to market.

The World Bank makes \$18 billion to \$20 billion in loans and grants a year to low-income countries. But its finances depend on loan repayments and fresh donations from wealthy nations. For all its size, its scale is small in comparison with the private investment that flows through Latin America and Asia.

"I don't hear any new vision yet," said Nancy Birdsall, founder of the Center on Global Development, a nonpartisan research organization here. "The big issues are not about internal management but about what the role of the World Bank is going to be in the 21st century. Right now, the banks products are still 1960's-style products - loans to governments, infrastructure loans."

Few people would argue that Mr. Wolfowitz, a former dean of Johns Hopkins School of Advanced International Studies, is short on ideas.

But supporters of increased aid to poor countries, including those who adamantly opposed Mr. Wolfowitz's role in invading Iraq, said this week that his vision for the future might be less important right now than his close relationship to President Bush.

- [Copyright 2005 The New York Times Company](#)
 - [Home](#)
 - [Privacy Policy](#)
 - [Search](#)
 - [Corrections](#)
 - [XML](#)
 - [Help](#)
 - [Contact Us](#)
 - [Work for Us](#)
 - [Site Map](#)
 - [Back to Top](#)