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THE NEXT CRUSADE

Paul Wolfowitz at the World Bank.

by John Cassidy April 9, 2007



The Selimiye Mosque, in Edirne, a city in northwest Turkey, is a magnificent stone edifice, with four minarets and an austere, octagonal-shaped body supporting a large dome. Built for Sultan Selim II in the sixteenth century, it has withstood numerous earthquakes and can accommodate more than five thousand kneeling worshippers. One evening at the end of January, I visited the mosque with Paul Wolfowitz, the president of the World Bank, and a half dozen of his aides and colleagues. Two years have passed since President Bush nominated Wolfowitz, the former Deputy Secretary of Defense and one of the architects of the war in Iraq, to head the sprawling multinational lending institution that has as its official goal “a world without poverty.”

The World Bank employs thirteen thousand people in more than a hundred countries, and lends about twenty-five billion dollars a year to poor and middle-income nations. When Wolfowitz inspects bank programs, he often visits religious sites and other monuments. At the Selimiye Mosque, a stern-looking young man with a black beard who identified himself as the imam met us at the entrance and invited us inside. After putting on slippers, Wolfowitz entered the mosque and listened as the imam, demonstrating its acoustics, raised the call to Allah.

Wolfowitz has an abiding interest in the Islamic world. His father, Jacob, an eminent mathematician who taught at Columbia and Cornell, was a fervent Zionist, and Wolfowitz’s elder sister, Laura, lives in Israel. Wolfowitz’s critics sometimes portray him as an unquestioning defender of the Israeli government, and yet he has publicly expressed sympathy for the plight of the Palestinians, and some Arab reformers regard him as a friend. Since separating from his wife of more

than thirty years, Clare Selgin Wolfowitz, in 2001, he has dated a secular Muslim woman in her fifties, Shaha Ali Riza. A British national from a Libyan family who grew up in Saudi Arabia, Riza is a longtime advocate of democracy in Arab countries.

On a wall of the mosque was some ornate writing in Arabic. "Is that the Fatiha?" Wolfowitz asked, referring to a passage in the Koran. No, the imam replied, explaining that the writing was from another passage. Wolfowitz taught himself Arabic in the nineteen-eighties, when he was working at the State Department. (He also speaks French, German, Hebrew, and Indonesian.) Last year, during a visit to a mosque in eastern China, he recited a prayer from the Koran in Arabic. This time, as he was leaving the mosque, he encountered a dozen or so news photographers who had gathered to document his visit. Bending down to change back into his shoes, Wolfowitz removed a slipper, revealing a large hole in the toe of one gray wool sock. Then he removed the other slipper, exposing another hole. Shigeo Katsu, the World Bank's vice-president for Europe and Central Asia, tried to step between Wolfowitz and the photographers, but it was too late. The camera shutters clicked.

If Wolfowitz was perturbed, he didn't show it. He went next door to a covered market, where he examined the religious and cultural icons for sale. One of the vendors urged him to buy some jewelry, but Wolfowitz didn't have enough cash. His spokesman and senior adviser, Kevin Kellems, gave him what he had, about seventeen dollars in Turkish lira. "I'm going to need more than that," Wolfowitz whispered. A member of the bank's Turkish staff handed him a hundred lira (about seventy dollars), and Wolfowitz bought two silver bracelets, for his daughters.

Wolfowitz, who is sixty-three, has jug ears, hazel eyes, a furrowed brow, and thinning gray hair that he combs to the right. He is a rumpled but unflappable traveller, seemingly oblivious of bad weather, uncomfortable transportation, and lack of sleep, as well as of the antiwar protesters who tend to appear wherever he goes. Since joining the World Bank, Wolfowitz has visited more than fifty countries, including remote parts of Africa and Asia. He is often depicted in the media as a neoconservative zealot, but on the road he is unfailingly polite, demonstrating a scholarly interest in local culture.

In Istanbul that morning, Wolfowitz had visited a homeless shelter run by the Turkish government with financial assistance from the World Bank. The shelter was in a nineteenth-century neighborhood, in a brick building on a cobbled street. After greeting the shelter's director, Wolfowitz and an interpreter entered a small room, containing four narrow beds and some metal chairs. Wolfowitz sat down next to a slight middle-aged man in a fraying denim jacket and a black wool cap, who said that his name was Bedir Yasa and that until recently he had been living on the streets.

Wolfowitz spoke softly to Yasa, who evidently had no idea who he was but responded with a puckish smile. Yasa said that he came from Van, near Iran, and that he wanted to work but had no skills. When Wolfowitz asked if he had any family, he said that his wife had been killed in the earthquake that struck western Turkey in 1999 and that her parents were bringing up his only child, a son, whom he rarely saw. Wolfowitz, who has two daughters and a son, fell silent. "I'm sorry you have had such a tough life," he said finally. "I hope you can do better soon."

The World Bank was established in 1944, at a conference on postwar reconstruction in Bretton Woods, New Hampshire, where representatives of more than forty nations agreed to create two new institutions: the International Monetary Fund, which was charged with guaranteeing stability in global currency markets, and the International Bank for Reconstruction and Development, which was charged with raising money for the rebuilding of Europe. In December of 1945, twenty-nine countries signed the articles of agreement that formally incorporated the I.M.F. and the World Bank (as the I.B.R.D. came to be called) in Washington. A year and a half later, the World Bank made its first loan, to France. The United States government quickly became the main financier of European reconstruction, and the bank shifted its focus to developing countries. In 1948, it lent money to Chile. Two years later, it lent to Ethiopia. Before long, it was financing the construction of roads and dams throughout Africa, Asia, and Latin America.

From its inception, the World Bank, which occupies an imposing thirteen-story building off Pennsylvania Avenue, a few blocks west of the White House, has represented a peculiar blend of idealism and Realpolitik. Harry White, a U.S. Treasury official who helped create the bank, said of its early borrowers, "There is nothing that will serve to drive these countries into some kind of ism—

Communism or something else—faster than having inadequate capital.” During the nineteen-sixties and seventies, the World Bank lent heavily to such countries as Indonesia and Zaire, which were considered bulwarks against Soviet encroachment. In the eighties and nineties, it pressed developing countries to lower import tariffs and encourage foreign investment, leading to accusations that it was acting in the interest of Western corporations.

The U.S. government, as the World Bank’s biggest shareholder, has always asserted the right to appoint its president, and for twenty years it chose mostly financial executives. In the fall of 1967, President Lyndon Johnson broke with this tradition by nominating Robert McNamara, his Secretary of Defense and the chief strategist of the war in Vietnam. McNamara spent thirteen years at the bank, during which he increased its lending thirteen-fold, expanded its research department, and welcomed China as a member. “McNamara created the World Bank as it is known today,” Ernest Stern, an American financier who was the bank’s managing director from 1991 to 1995, told me. “He took over what was a fairly sleepy institution, focussed on infrastructure development, and he had a lot of ideas about new areas it should expand into: poverty, education, health care, family planning. None of these things had been on the bank’s agenda before.”

When President Bush nominated Wolfowitz to be the World Bank’s president, in March, 2005, some perceived a historical analogy. Wolfowitz “may be . . . a latter-day Robert McNamara—a war-weary Pentagon master seeking refuge to wring the blood from his hands,” the political columnist Fred Kaplan wrote in *Slate*. Most political analysts were critical of the nomination: Njoki Njoroge Njehu, who was then the director of a coalition of development pressure groups called the Fifty Years Is Enough Network, called Wolfowitz a “global symbol of U.S. imperialism”; even the conservative *Financial Times* argued that “the world would view a bank directed by Mr. Wolfowitz as no more than an instrument of U.S. power and U.S. priorities.”

To many people, Wolfowitz is indelibly associated with the decision to invade Iraq and the doctrine of preëemptive war. In an Administration dominated by businessmen and Western conservatives, he was a prominent intellectual—a throwback to foreign-policy mandarins like Dean Acheson, McGeorge Bundy, and Walt Rostow, who provided the ideological rationale for the war in

Vietnam. Wolfowitz called for deposing Saddam Hussein in 1997, when he was dean of the School of Advanced International Studies at Johns Hopkins. In an article published in *The Weekly Standard*, Wolfowitz and Zalmay Khalilzad, who is the outgoing U.S. Ambassador to Iraq, proposed diplomatic measures, support of Iraqi opposition groups, and “military force” as “part of an overall political strategy that sets as its goal not merely the containment of Saddam but the liberation of Iraq from his tyranny.” After September 11th, Wolfowitz argued that Iraq’s Baathist government had weapons of mass destruction and ties to Al Qaeda, and that overthrowing Saddam would establish a model of peace and democracy in the Middle East. In February, 2003, three weeks before the invasion, Wolfowitz told Congress, “I am reasonably certain that they will greet us as liberators.”

The World Bank is staffed by a well-paid, highly educated secretariat, the vast majority of whom are non-Americans. According to a survey conducted in April, 2005, nearly ninety per cent of the staff opposed Wolfowitz’s nomination. A day after the bank’s directors confirmed his appointment, *Bank Swirled*, a satirical magazine produced by bank employees, reported that a moving crew had delivered some personal items to his new office, “including a 1768 map of Iraq (with hundreds of red Xs denoting ‘WMDs,’ hundreds of black Xs denoting ‘Oil Well\$,’ and one blue X denoting ‘decent sushi restaurant’) . . . a fully armed AH-64A/D Apache helicopter,” and “a ‘red phone’ with a direct line to Karl Rove.” Many people at the World Bank remain suspicious of Wolfowitz. He has suspended loans to developing countries that he regards as corrupt—among them Chad, Kenya, and Bangladesh—while expanding the bank’s activities in places where the United States and its allies have intervened militarily, including Lebanon and Iraq. “Karl Rove would be proud: the man whom the world associates with the war in Iraq has recast himself as the crusader for good governance and development,” Manish Bapna, the executive director of the Bank Information Center, a not-for-profit organization in Washington that monitors the bank’s activities, said. “But inside the bank there is still a perception on the part of some staffers that his real agenda remains hidden, and that it reflects priorities from the Bush Administration.”

Some negative reaction was to be expected; the World Bank, like many large bureaucracies, is resistant to change. Early in Wolfowitz’s presidency, he announced that his priorities would include

not just reducing poverty, especially in Africa (a focus of bank activity for decades), but also fighting corruption among governments that received bank aid (a project introduced by Wolfowitz's predecessor, James Wolfensohn). In July, 2005, a month after arriving at the bank, Wolfowitz attended the annual G8 summit, which took place at the Gleneagles Hotel, the Scottish golf resort. There, world leaders pledged to double aid to Africa by 2010, and to write off about forty billion dollars in debt that eighteen impoverished countries, mostly African, owed the World Bank, the I.M.F., and the African Development Bank. The G8 finance ministers had previously agreed on these measures, and Wolfowitz enthusiastically endorsed them. He also attended a "Live 8" concert that Bono and Bob Geldof, the Irish pop singers and antipoverty activists, organized at a local rugby stadium. "There's a lot of things we can disagree on, and we disagree on Iraq," Jamie Drummond, the director of DATA (Debt, AIDS, and Trade in Africa), a nonprofit organization that he co-founded with Bono and others, told me. "But what can we agree on? Getting kids to school in Africa, fighting AIDS in Africa, fighting corruption in Africa. We came to Paul right from the start saying that he should be on the record supporting our push on debt, AIDS, and trade, and he was very passionately on message on all of that."

On Wolfowitz's way to Turkey in January, he spent a day and a half in Davos, Switzerland, at the annual meeting of the World Economic Forum, where, in panel discussions and in private meetings with politicians, development experts, and business leaders, he repeatedly invoked the Gleneagles agreement and called for Western governments to provide more aid to Africa. At a lunch meeting with African leaders, he said, "I like globalization; I want to say it works, but it is hard to say that when six hundred million people are slipping backwards."

That afternoon, he took part in a panel on foreign aid with Bill Gates, whose philanthropic foundation has an endowment of \$30.6 billion; William Easterly, an economist at New York University who is a well-known skeptic of development policy; and Ellen Johnson Sirleaf, a former bank official who is the President of Liberia. The discussion was held in a large auditorium, and every seat was taken. Gates and Easterly quickly got into an argument about the efficacy of aid programs. Easterly pointed out that research had failed to demonstrate any link between aid and economic

growth. In the past forty-two years, he said, Africans have received five hundred and sixty-eight billion dollars in aid, yet there has been no appreciable improvement in their living standards.

Gates, whose foundation has invested billions of dollars in programs and initiatives in Africa, many of which relate to public health, reacted angrily. He disputed Easterly's statistics and declared, "When we put people on AIDS drugs, we don't say to them, 'Hey, unless you raise the G.D.P.'"—gross domestic product—" 'we have wasted our money.' . . . I think life has value. . . . What happened with smallpox—that was aid work."

Many conservative Republicans agree with Easterly that aid has done little good, an argument that Wolfowitz has resisted. After listening to the sharp exchange between Gates and Easterly, Wolfowitz conceded that much aid money has been misused—he cited Mobutu Sese Seko, the former ruler of Zaire, who reportedly pocketed five billion dollars from aid agencies, including the World Bank. But Wolfowitz also defended the idea of giving more cash to well-run countries. "Good policies, good governance is essential," he said. "But when you have those, resources are essential. You can't do it without investment. And I think that's where development assistance really plays its role."

After the session ended, Wolfowitz met privately with Gates and his wife, Melinda. The World Bank and the Gates Foundation already work together in many parts of Africa, and Wolfowitz is eager to extend this cooperation to other parts of the world. Some people in the development community regard the increasing influence of private foundations as a threat to the bank's position, but Wolfowitz believes that private capital can complement the efforts of aid agencies. "It's wonderful that so many people want to contribute to fighting AIDS or malaria," he told me. "But, if somebody isn't paying attention to the over-all health system in the country, a whole lot of money can be wasted."

Wolfowitz objects to being called a neoconservative; he considers himself a pragmatist. Like many neocons, though, he comes from a Jewish intellectual family and in his youth he supported liberal causes. In 1963, when he was nineteen, he and his mother attended the civil-rights march on Washington organized by Martin Luther King, Jr., and other leaders. Wolfowitz majored in mathematics and chemistry at Cornell. There his interest in politics was fostered by Allan Bloom, the political theorist who later wrote "The Closing of the American Mind." Bloom was a fellow at

Telluride House, a residence for gifted students, where Wolfowitz lived. Although his father wanted him to stick with the hard sciences, Wolfowitz went on to the University of Chicago, to study for a Ph.D. in political science. “I told my father I had to try political science for a year,” Wolfowitz said recently. “He thought I was throwing my life away.”

Wolfowitz began to move to the right in Chicago, where he attended Leo Strauss’s lectures on Plato and Montesquieu. Much has been made of Strauss’s influence on Wolfowitz—in particular, Strauss’s rejection of moral relativism and his denunciation of totalitarian regimes. A more significant influence, Wolfowitz says, was Albert Wohlstetter, an ardent anti-Communist and an expert on nuclear-weapons strategy who was his dissertation adviser. With Wohlstetter’s encouragement, Wolfowitz went to Washington in the summer of 1969 to work for the Committee to Maintain a Prudent Defense Policy, a nonprofit group that lobbied Congress to support the construction of an anti-ballistic weapons system. (At the committee, Wolfowitz met Richard Perle, who became a colleague in the Reagan Administration.)

In 1973, Wolfowitz, who had been teaching at Yale, joined the U.S. Arms Control and Disarmament Agency, where he was among a group of hawks who reacted skeptically to the Strategic Arms Limitation Talks agreement, which Henry Kissinger had negotiated with the Soviet Union. Three years later, Wolfowitz became a member of Team B, a group of independent experts who had been invited by the then C.I.A. director, George H. W. Bush, to challenge what some conservatives believed were naïve assessments of Soviet military intentions. “He did his work competently, he attended all of the meetings, but he didn’t say much,” Richard Pipes, the Harvard historian who oversaw the project, recalled. “He was probably the quietest member of the group.” Team B concluded—erroneously, according to other analysts—that the Kremlin believed the Soviets could win a nuclear war.

During the Carter Administration, Wolfowitz worked at the Pentagon. In late 1980, after Carter lost his bid for reelection to Ronald Reagan, Fred Iklé, Wolfowitz’s former boss at the arms-control agency, who was an adviser to Reagan, called him. “I said, ‘It’s about time you got out of the Carter Administration and joined us,’ ” Iklé remembered. “He was regarded as an expert. He was on the

hard-line, or conservative, side.” In the Reagan Administration, Wolfowitz worked in the State Department, first as director of the policyplanning office, and then as the Assistant Secretary of State for East Asian and Pacific Affairs.

More than some other prominent neoconservatives, such as Jeane Kirkpatrick, he stressed the promotion of democratic values abroad. In his office at the World Bank, there is a photograph from 1986 that shows him in the White House situation room with other senior members of the Reagan Administration, as they discussed whether to abandon Ferdinand Marcos, the Philippine dictator and longtime American ally. Wolfowitz urged his colleagues to support Marcos’s rival, Corazon Aquino, who had overwhelming popular support. “There were quite a few prominent and self-identified neoconservatives who thought we were leaning too hard on nice Mr. Marcos, who was America’s best friend,” Wolfowitz recalled recently. “I take that as an example of where I don’t think there was any ideology telling me what to do.”

Until the end of the nineteen-seventies, Wolfowitz was a registered Democrat, and some of his friends still consider him a progressive. “Paul is a bit of a softie,” Karl Jackson, a political scientist at the Paul H. Nitze School for Advanced International Affairs, at Johns Hopkins, whom Wolfowitz hired as a part-time consultant to the bank, told me. “He really believes in helping people who are economically deprived or who just have nasty or corrupt governments. Some people would classify that as conservative, but it doesn’t fit the bill in my book.” Christopher Hitchens, the *Vanity Fair* columnist, who has entertained the bank president at his home on several occasions, told me that “the most surprising thing about Wolfowitz is that he’s a bleeding heart. His instincts are those of a liberal democrat, apart from on national security.”

In the nineteen-nineties, Wolfowitz backed NATO’s interventions in Bosnia and Kosovo, and he insists that he supports a multilateral foreign policy. “I wish somebody would go and read the essay I wrote for the Trilateral Commission,” he said to me one day. “It was basically about the idea that the shifts in the global balance of power mean that the U.S. is increasingly going to have to work with other countries. But the great thing that the U.S. has going for it is that the ideals it stands for and represents are in the self-interest of most countries.” The essay was published in 1997, under the title

“Managing Our Way to a Peaceful Century.” It argued that the universal appeal of democratic values was “one of our most powerful tools for shaping the emerging world,” but added, “This doesn’t mean that we can dictate the course of political development in other countries. Our ability to influence may often be quite modest. If we are not careful, our influence may even be negative.”

Why did Wolfowitz ignore this caution six years later, in making the case for the invasion of Iraq? “I think Paul thought that Iraq, as the most secular of the Middle Eastern countries, had the best chance of establishing a democracy,” Fred Iklé said.

Wolfowitz refused to talk about Iraq specifically, but he told me that he still believes in the vision of a moderate, democratic Middle East. “I think, in the longer view of things, there is a very powerful pull in the direction of participatory government,” he said. “People discover that it’s the path to prosperity. And, yes, there are some violent forces that don’t want to see it happen, but it is what appeals to the great bulk of people, and it is a system that, in peace, produces great success.” Even in the long term, Wolfowitz’s optimism depends on the assumption that there will be enough moderates in the Middle East to prevail over the political and religious zealots. “I have always believed that the overwhelming majority of Muslims are mainstream, relatively tolerant people,” he said. The events of the past decade have given Wolfowitz pause, he conceded. “But I still fundamentally believe that tolerance is the dominant stream and should ultimately win out.”

Under the World Bank’s articles of agreement, it is prohibited from interfering in politics. For many years, this stricture was taken to mean that the bank shouldn’t discuss the bribery and graft that afflicted many of the biggest beneficiaries of its aid. In 1996, James Wolfensohn, Wolfowitz’s predecessor, violated this taboo by publicly referring to the “cancer of corruption” in developing countries. Two years later, the bank’s research department published an influential paper, “Assessing Aid,” which argued that aid is effective only when it is given to countries with honest governments and efficient economic policies.

Wolfowitz was determined to follow Wolfensohn’s lead. In one of his first board meetings, he asked, “Why are we lending to Cambodia? It’s such a corrupt country.” Previous bank presidents, including Wolfensohn, had been reluctant to cut off lending, for fear of harming the people whom the

bank's projects were intended to help. Wolfowitz wasn't persuaded by this argument—according to some estimates, up to twenty per cent of economic aid is misused or stolen—and a few months after he arrived at the bank he appointed Suzanne Rich Folsom as head of the Department of Institutional Integrity, the bank's internal-investigations unit, which follows up allegations of fraud in bank projects.

Folsom is a Washington ethics lawyer with strong ties to the Republican Party. (Her husband, George Folsom, a foreign-policy specialist, worked for the Administrations of Ronald Reagan and George H. W. Bush.) Before Wolfowitz's arrival, the bank had enlisted the help of an executive-search firm, which, out of a large pool of candidates, identified nine finalists. After reviewing these names, Wolfowitz rejected them all and selected Folsom, whom Wolfensohn had hired to help him deal with the Treasury Department and the Republican-controlled Congress, and who had been acting as the department's interim head. According to one of Wolfowitz's aides, he regarded Folsom as eminently qualified for the job, and he was also impressed by her performance at the investigations department. Others at the bank saw things differently. "Paul turned around to the world and said that she was appointed following an international search," one senior official who has now left the bank said to me. "That was technically true. There was an international search. But she was not part of that search. He shredded the list and then brought in a loyalist from the Republican Party."

Under Folsom, the budget for the Department of Institutional Integrity nearly doubled. In the department's 2006 annual report, it acknowledged a "considerable" jump in allegations against bank staffers. However, it added, there had been no increase in the number of allegations leading to disciplinary action. "Anybody can call in a complaint," a former World Bank manager told me, "and the investigators keep hanging over the person's shoulder. To people who have never been accused of corruption in their lives, it's extraordinarily demoralizing."

Before long, Wolfowitz became personally involved in the anti-corruption campaign. In September of 2005, he told a reporter for the *Financial Times*, "I think I feel even more strongly than before that you can't talk intelligently about development if you exclude anything that sounds political." That May, the government of Uzbekistan had violently suppressed an uprising in the city of

Andijan, in which as many as seven hundred people, including women and children, were killed. In July, Islam A. Karimov, Uzbekistan's dictatorial ruler, ordered the United States to remove its troops and aircraft from the Uzbek base it had been using to support the military campaign in Afghanistan. Around the same time, the Uzbek government expelled a number of Western nongovernmental organizations. Since joining the World Bank, in 1992, Uzbekistan had received more than five hundred million dollars in loans, mostly for rural water and health projects. In September, 2005, Wolfowitz withdrew an assistance package for Uzbekistan that was about to be presented to the bank's board for approval. "It came out of the blue," Dennis de Tray, who was country director for central Asia at the time, told me. "I got a call while I was on vacation and was told that he just did it. He didn't even talk to the regional vice-president. We were all pretty shell-shocked." Wolfowitz told me that his action had nothing to do with military bases or the U.S. government. "Nobody was instructing me to get out of Uzbekistan," he said. "My one concern, pure and simple, was that, given the human-rights violations, we couldn't have any confidence in what was happening to our money."

The following October, the government of Chad, the former French colony in equatorial Africa, announced that it would amend a law controlling the spending of revenue from an oil pipeline that the bank had helped finance. According to the law, eighty per cent of proceeds from the pipeline were reserved for anti-poverty projects, such as schools and health centers. That month, *Forbes* reported that thirty million dollars of the revenue had been used to purchase arms. Wolfowitz called Chad's President, Idriss Déby, and warned him not to change the law. Déby said that he needed to spend more money on his armed forces because of a refugee crisis on Chad's border with Sudan, near Darfur, and in December the Chadian National Assembly passed amendments to the law, reducing the amount of oil revenue reserved for antipoverty projects. In January, 2006, Wolfowitz halted all bank lending to Chad.

On February 12, 2006, the London *Sunday Times* reported that Denis Sassou-Nguesso, the President of Congo-Brazzaville, another former French colony in central Africa, had spent more than three hundred thousand dollars on hotel rooms during a visit to New York for a U.N. General Assembly session. Shortly before the article appeared, the bank's Africa department had reached a

provisional agreement with Congo-Brazzaville about writing off some of the country's debt.

Wolfowitz demanded a number of changes to the deal. "He was feeling incensed by the fact that anyone would spend almost half a million dollars on hotel bills," a bank official said to me.

As president of the World Bank, Wolfowitz supervises virtually all of its daily operations. However, the bank's board of twenty-four executive directors is ultimately responsible for its lending and policy activities. Votes on the board are distributed according to how much money each country has contributed to the bank's capital. The United States controls about sixteen per cent of the votes, but the four next-biggest shareholders—Japan, Germany, France, and the United Kingdom—can outvote it. This governing structure puts a premium on the bank president's ability to forge a consensus, but Wolfowitz has often seemed determined simply to ignore the board. "They always give us ninety-eight per cent of what we want, so why should we bother about them?" he said to a senior colleague shortly after arriving at the bank. The colleague explained that the board usually obliged the president because the president usually cultivated its members.

Unlike McNamara, who was president of the Ford Motor Company before he joined the Pentagon, Wolfowitz had little experience running a large bureaucracy. In his work at both the State Department and the Department of Defense, he was known as a strategist. In 1982, when the job of Assistant Secretary of State for East Asian and Pacific Affairs became available and Wolfowitz asked for it, his boss, George Shultz, hesitated before granting the request. "I said to him, 'Well, Paul, this is not just thinking about things; you've got to do things,'" Shultz recalled. "He was put in there, and he did an excellent job." Still, doubts about Wolfowitz's administrative abilities persisted. Bob Woodward, in his most recent book about the Iraq war, "State of Denial," reports that Wolfowitz was passed over for the job of Presidential envoy to Iraq in favor of L. Paul Bremer III. "The president knew that Wolfowitz did not have a strong reputation as a manager," Woodward writes. "The deputy secretary of defense was a thinker, but he could barely run his own office."

At the World Bank, Wolfowitz soon made it clear that he would leave many of his administrative duties to others. At internal meetings, he indicated the policy areas that were important to him, but he seldom got involved in the details of implementing them. Rather than appointing bank staffers as his

principal aides, as previous presidents had done, Wolfowitz hired two American political operatives who were closely associated with the war in Iraq: Robin Cleveland, who had been the associate director for National Security Programs at the White House Office of Management and Budget; and Kevin Kellems, who had been with Wolfowitz at the Pentagon. Perhaps inevitably, Cleveland and Kellems antagonized many on the bank's staff. "Their attitude was: We are brighter than other people, we know more than other people," a bank veteran who recently left told me. "They were unaccountable because they had no direct-line authority. Officially, they were just advisers to the president, but in fact they were calling the shots."

Cleveland, in particular, incited hostility. On Capitol Hill, where she had worked for Republican Senator Mitch McConnell, of Kentucky, she was known as "the dragon lady," because of her aggressive approach to negotiations. In 2002, she moved to the Office of Management and Budget, where she helped to provide financing for the Iraq war, and for President Bush's AIDS initiative. More than half a dozen current and former bank staff members gave me critical assessments of Cleveland. "She is vindictive to the core," one said. Cleveland, who often acts as a trouble-shooter for Wolfowitz, conceded that she can be demanding. "I am impatient, and I apologize for that, but it's impatience in trying to get things done," she said. "We are only here for a short time, and there are incredibly important things to do." Kellems, a low-key Midwesterner, provoked less controversy at the bank, though some called him "the keeper of the comb"—a reference to the film "Fahrenheit 9/11," in which Wolfowitz is shown preparing for a television appearance by spitting on his comb before applying it to his hair.

Since Wolfowitz's arrival, about a dozen senior officials at the World Bank have quit, including the managing director, the general counsel, the chief financial officer, and six vice-presidents. Shengman Zhang, a Chinese national who was a managing director for almost ten years, left in December, 2005. "Shengman was bypassed, provoked, and humiliated by Wolfowitz's aides," one of his former colleagues told me. "They would say, 'Don't tell Shengman you are doing that; I'm telling you to do it.'" (Shengman, who now works for Citigroup, declined to speak with me.)

The incident that prompted the most comment internally involved Shaha Ali Riza. When Wolfowitz was nominated to the bank presidency, he disclosed his relationship with Riza, who was working in the bank's Middle East and North Africa (MENA) department. Under the bank's regulations, spouses or partners are prohibited from supervising one another or from working in the same cone of authority. As president, Wolfowitz oversees a cone of authority encompassing nearly all the bank's employees, including those in MENA. The board of directors' ethics committee took the view that Riza should be transferred to a position outside his supervision. Wolfowitz asked that she be allowed to maintain her job at MENA and to work with him as necessary, offering to recuse himself from any decisions concerning her pay and work conditions. "It really gave a bad impression, especially for somebody who was making a big issue of good governance," a former senior official at the bank said. "The president is supposed to set an example to everybody, and yet here he wanted to have his girlfriend working with him, which is flatly prohibited under bank rules."

Ultimately, Riza was seconded to the State Department. To compensate her for the disruption of her career at the bank, she was promoted to the managerial level, and she has received two pay raises, bringing her salary to a hundred and ninety-three thousand dollars—more than Secretary of State Condoleezza Rice makes. "The staff are very upset," Alison Cave, the chairman of the World Bank Staff Group Association, said, explaining that the raises amounted to special treatment that violated established bank guidelines. Kevin Kellems told me that Wolfowitz had no involvement in Riza's promotion or pay raises. "All arrangements concerning Shaha Ali Riza were made at the direction of the board of directors," he said.

Wolfowitz landed at Atatürk International Airport, in Istanbul, at nine in the evening. The World Bank has about twenty projects in Turkey, and advises the government in Ankara on economic policy. Turkey is an example of a middle-income country that is rapidly modernizing and integrating itself into the world economy. It is also a vital Western ally: a stable, moderate Muslim democracy straddling Europe and Asia. "I made my first visit to Turkey in 1976, and it impressed me enormously," Wolfowitz told a group of local politicians who greeted him at the gate. "Turkey is a

very strategic country, which means it has some unpleasant neighbors. It is good to have a stable democracy in such a region.”

After spending the night at the Hilton, Wolfowitz had breakfast with about a dozen representatives of Turkish youth groups and visited the homeless shelter. Then he was driven to Dolmabahçe Palace, on the banks of the Bosphorus, where he met the Turkish Prime Minister, Recep Tayyip Erdogan, who heads the Justice and Development Party. In early 2003, legislators from the Party supported an American request to use southern Turkey as a staging ground for the Iraq invasion, but the proposal was voted down in parliament. Wolfowitz later said to me, “I think it is very impressive that this party, which traditionally has been the most Islamic party in Turkey, is the one that is committed to modernization and reform.”

Not long afterward, Wolfowitz, half a dozen of his colleagues, and I boarded a Turkish military helicopter in the garden of the Dolmabahçe Palace. We made a sweeping turn over the Bosphorus and flew northwest for about an hour. The first stop was in a town called Lüleburgaz, the headquarters of Sisecam, a Turkish glass manufacturer that has received funding from the International Finance Corporation, a World Bank subsidiary. Wolfowitz, wearing a hard hat and protective goggles, stared into furnaces, chatted with workers, and handled some of the glassware that Sisecam supplies to Wal-Mart and Crate & Barrel. Recently, Sisecam has bought factories in Russia and Georgia and invested in a plant in Bulgaria. The idea of a Turkish manufacturer competing successfully in the world market seemed to impress Wolfowitz. He asked the firm’s president, Dogan Arikan, if he was thinking about investing in stable African countries, such as Tanzania. Not at the moment, Arikan replied.

We then flew to Kirklareli, a remote village where the bank had helped finance irrigation canals. After landing on a soccer field near a school, Wolfowitz was escorted to a classroom, where about thirty farmers and their families presented him with a souvenir plate. A burly young man stood up and said that the existing open-irrigation system was fine, but that the village really needed a closed system. Wolfowitz turned to a bank staffer and asked if there were plans to upgrade the system. The official gave a long and evasive answer, which seemed to add up to no. “That was perhaps not the greatest project the World Bank has ever supported,” Wolfowitz said when we were back in the

helicopter. “Perhaps we should have spent more time at the glass factory, but you never know in advance.”

In Edirne, on our way to the Selimiye Mosque, we stopped at a small house in a poor neighborhood largely inhabited by Gypsies. In the living room were Hüsniye Mine, a fifty-one-year-old Turkish woman; her disabled husband, Tuncay; her son, Sahan; and her daughter, Tugçe. Wolfowitz sat on a couch next to Sahan, who said to him, in English, “I am fourteen years old.” The family was receiving money from the Turkish government, under a program, financed in part by the bank, that encourages poor parents to keep their children in school. Hüsniye showed Wolfowitz her son’s and daughter’s report cards, which indicated that they were both on the honor roll. Wolfowitz asked Sahan, a skinny kid with brown hair and big brown eyes, what he did when he wasn’t in school. Sahan replied that he played soccer and chess, and Wolfowitz’s eyes lit up. “I played chess when I was about your age, and I was pretty good for a while,” he said. “Then my friends started studying the great chess players, and they would play the old games over again, and then I couldn’t keep up with them.” Sahan seemed impressed. “I am not that good, but I got a medal,” he said. “I came third in the province.”

In the first half of last year, Wolfowitz stepped up his anti-corruption campaign, suspending aid projects in India, Kenya, and Cambodia until allegations of corruption were resolved. (In these and other cases, the bank and the governments involved eventually settled their differences, and lending was resumed.) “What Paul is doing,” Karl Jackson, the bank consultant, told me, “is moving toward a system that says to poor governments, ‘If you want to steal from a project, we all’—the whole development community—‘will say that we are not going to lend you any more money until you demonstrate improved governance.’” Expressed this way, Wolfowitz’s actions seem eminently reasonable. “Transferring large amounts of money to corrupt governments isn’t just a waste of money; it is counter-productive,” Roger Bate, an expert on development policy at the American Enterprise Institute, said. “I’ve seen that in Nigeria, Uganda, and Ethiopia. But it takes a lot of courage to say we are going to withhold funds. There is a lot of pressure to continue business as usual.”

However, current and former World Bank officials, as well as a number of bank shareholders, have questioned Wolfowitz's actions. Why were projects being suspended in India and not in Indonesia, which by many measures is more corrupt? Why Uzbekistan and not Tajikistan? Why Congo-Brazzaville and not the Democratic Republic of the Congo? "No one in the development community really understands what criteria we should use to withhold lending from poor countries," Nancy Birdsall, the head of the Center for Global Development, a Washington think tank, said. "And they certainly didn't understand what criteria were being used at the bank in the past year or so." Roberto Dañino, the bank's former general counsel, who resigned last year, said, "Paul needs to adopt a more balanced approach. Anti-corruption is not a silver bullet. You can have a country that is transparent, with no corruption problem, but if it doesn't follow the right economic policy it won't grow. That is what he is missing."

A number of economists criticize Wolfowitz for exaggerating the role that corruption plays in retarding economic growth. "There are a lot of countries that we know perfectly well are corrupt but which have done very well economically," John Williamson, a senior fellow at the Peterson Institute for International Economics, said. "Suharto's Indonesia is an example." (Wolfowitz was Ambassador to Indonesia from 1986 to 1989.) Joseph Stiglitz, who served as the World Bank's chief economist from 1997 to 2000, and later won a Nobel Prize, said, "China has had an impressive record of growth and poverty reduction, and yet by many measures it does not score well on corruption."

Many of Wolfowitz's critics suspect that his motive in fighting corruption is political rather than economic. "I think he was completely genuine in the notion of bringing Western-style democracy to Iraq, the Middle East, and other areas," Dennis de Tray said to me. "That hasn't changed. He's still committed to that agenda, and I think he sees the bank as another instrument to achieve what I see as long-held goals. The focus on 'corruption' and 'good governance'—for him, those are code words for democracy and human rights. He knows he can't use those words publicly, because the bank's charter says we can't engage with politics. But he goes pretty close by saying we are not going to deal with corrupt regimes anymore."

When I asked Wolfowitz about the criticism that his agenda at the bank is political, he said, “I just don’t see how anyone can separate concern about good governance from concern about helping poor people survive and get a good education and good jobs. It’s all part of the same thing. There is no political agenda here. Any country that uses our money well—measured not by political standards but by what that country is doing for the poor—gets our support and will continue to get our support.”

On February 24, 2006, the World Bank’s board of executive directors met to discuss Wolfowitz’s demand for changes to Congo-Brazzaville’s debt-reduction agreement. The meeting, which lasted more than eight hours, was tense. Under the bank’s Heavily Indebted Poor Countries initiative, which began in 1996, impoverished countries are entitled to have some of their debts forgiven when they meet a series of economic targets, such as controlling inflation and liberalizing their economies. The bank’s staff had certified that Congo-Brazzaville had met its targets for provisional debt relief. In addition to trying to restrict how the Congolese government could use the money it would save on servicing its debt, Wolfowitz demanded further changes to the agreement. Some board members argued that he was overstepping his authority. “Wolfowitz was trying to change a procedure that had been agreed to by the G8, the I.M.F., and the bank,” one member told me. Twenty-two of the twenty-four board members opposed Wolfowitz’s demands, and he was forced to back down on some of them.

Two months after the meeting, the World Bank’s Development Committee, its principal advisory body, which is made up of government ministers from member countries, asked Wolfowitz to provide a set of guidelines for his anti-corruption drive. Even some of Wolfowitz’s allies believed that this was a good idea. “I said to him, If you do cherry-picking on anti-corruption, you are going to turn the bank into a U.S. foreign-policy instrument,” a former official, who recently left the bank, said. “People will say you are rewarding the U.S.’s friends and punishing its enemies. Even if you don’t mean it that way, people will think that is what has happened.” Wolfowitz agreed to present a strategy paper at the World Bank’s annual meeting, which was held in Singapore last September. Over the summer, Robin Cleveland and other members of his staff worked on the paper, which grew to more than sixty pages.

On September 13th, six days before the Singapore meeting, Hilary Benn, the British Secretary of State for International Development, announced that the United Kingdom was withholding from the World Bank a fifty-million-pound payment, to protest the conditions the bank attached to aid. In a speech in London, Benn objected to Wolfowitz's actions on corruption: "Where problems arise, some people argue that we should suspend our aid or withdraw it completely. I don't agree. Why should a child be denied education? Why should a mother be denied healthcare? Or an H.I.V.-positive person AIDS treatment, just because someone or something in their government is corrupt?" A former bank official who worked closely with the British delegation to the bank said that Benn was reacting to what Britain perceived as Wolfowitz's unilateralism. "The Brits really think the bank is the best thing we've got for development, and that it should be run as a real multilateral agency," this person said. "They felt that they were being gratuitously smacked around by Wolfowitz."

In Singapore, Wolfowitz was rebuked by the Development Committee, which reserved for the bank's board the right to determine how the anti-corruption policy would be finalized and executed. "Given the importance of this issue," the committee said in a public statement, "we stressed the importance of Board oversight of the strategy as it is further developed and then implemented." Never before had a president of the bank received such a public reprimand.

When Wolfowitz returned to Washington, he seemed chastened. He soon flew to London to meet with Benn and his staff; to Paris, where he gave a speech on Africa; and to Strasbourg, where he spoke to members of the European Parliament. Meanwhile, the anti-corruption paper was sent to dozens of governments and hundreds of nongovernmental organizations for comment. By the end of January, most had responded. "The main message is that even most governments want us to be doing this work," Wolfowitz told me. "There really is widespread recognition that governance is one of the key elements of successful development."

Wolfowitz may be exaggerating the support he has garnered. "It is not the bank's role to be the world's policeman," Barbara Stocking, the director of Oxfam, the influential British advocacy group, told me. "The bank's role is poverty reduction. We all agree that when you've got a Mobutu-style

government you can't put aid through it effectively. But most of the world isn't like that. It's much more nuanced."

Last month, Wolfowitz presented to the board a revised version of his anti-corruption paper, in which he made several concessions. While reserving for the bank's management the right to suspend projects where graft was suspected, the paper asserted that the bank should remain engaged in countries with serious corruption problems and should consider suspending lending to a particular country only in "exceptional" circumstances. "Don't make the poor pay twice," the paper said. Wolfowitz also agreed to consult more closely with the board, which unanimously approved the paper, and to seek its support before trying to suspend lending to individual countries. "I think that for his own survival he has had to make a deal," Roger Bate, of the American Enterprise Institute, said. "The shareholders of the bank are very powerful. His job is potentially at risk."

In a conversation with me, Wolfowitz called the new draft "a very, very good paper," but he also appeared to diminish the scope of his anti-corruption initiative. "I didn't think it was an initiative, to be honest with you," he said. "I'm still a bit surprised that something as obvious as that runs into resistance in some quarters." In fact, he continued, he had decided to pursue corruption only after being encouraged to do so by Africans on the bank's board and by some of its employees. "From my point of view, the most important thing was sending a message to the staff that, if many countries really wanted to address these issues, they would be backed up if they did that."

It is true that, beginning in the mid-nineties, some staffers urged the bank to confront corruption more aggressively. Daniel Kaufmann, a Chilean economist who is the director of global programs at the World Bank Institute, the bank's training arm, has for years argued that reducing corruption and improving governance are necessary to fight poverty. "I wouldn't exaggerate my influence," Kaufmann said when I spoke to him recently, adding that Wolfowitz "arrived at the bank, as Wolfensohn before him, already convinced that this was an extremely important issue in development."

Wolfowitz has a history of playing down controversial ideas that emerge under his imprimatur. In 1992, when he was Under-Secretary of Defense for Policy, members of his staff drafted a paper called

“Defense Planning Guidance,” which promulgated a vision of the United States as the sole superpower, actively discouraging other nations from challenging its leadership. After the document was leaked, Wolfowitz claimed that he hadn’t read it. In 1998, he signed a petition on the letterhead of the Project for the New American Century, a neoconservative think tank, urging President Clinton to pursue regime change in Iraq using “a full complement of diplomatic, political and military efforts.” And yet, in one of our talks, he objected to being publicly associated with the think tank, saying that in the late nineties he had disagreed with the group’s call for a substantial increase in the size of the military. After September 11th, Wolfowitz sought to minimize the novelty of taking preëemptive military action against Iraq, arguing that the threat posed by Saddam and the collapse of U.N. sanctions left the United States and its allies little choice but to act.

After leaving the Selimiye Mosque, we were driven to a nearby restaurant, where Wolfowitz had dinner with mayors and governors from both sides of Turkey’s border with Bulgaria, which is ten miles from Edirne. The dinner lasted several hours and featured half a dozen courses as well as numerous speeches, and by the time we boarded a Turkish military helicopter for the flight back to Istanbul it was almost ten o’clock. I sat next to Wolfowitz, who promptly nodded off. For about half an hour, we flew south without incident. It was a clear night, and the lights from remote farmhouses and hamlets were visible. Then we hit something—an air pocket, a hailstorm, it was impossible to tell. The helicopter shook violently and plunged down to the right. For a few moments, it seemed that the pilot had lost control. Looking out the window, I saw the ground rushing toward us. Mercifully, the aircraft levelled off.

Wolfowitz, who had been shaken awake, said nothing, and neither did any of the other passengers on board. Cold air was rushing in from somewhere, and Patrick English, the head of Wolfowitz’s security detail, appeared from the front of the helicopter and said that the co-pilot’s door had sheared off and fallen to the ground. We flew on, slower and lower than before. A few minutes later, English said that the pilot had offered to land at a nearby airstrip, where we could wait for another helicopter to pick us up. Wolfowitz said that he wanted to continue.

For about forty minutes, we sat in frozen silence. After we landed at Atatürk airport, Wolfowitz climbed into his waiting car, and when we got to the Hilton he went straight to his room. Some of the other passengers met for drinks at a lounge in the hotel. “I thought it had hit a bird and taken a bit of time to spit it out,” Shigeo Katsu, the bank vice-president, said with a nervous laugh.

At the end of October, the *Wall Street Journal* reported that Wolfowitz had pressed reluctant World Bank staffers to establish a permanent office in Baghdad. The article revealed that he was meeting regularly with wounded American soldiers in Washington, that he had dispatched Robin Cleveland on a fact-finding mission to Baghdad, and that he had replaced the bank’s top official in the Middle East. The story confirmed what other sources had been saying to me: Wolfowitz was still deeply engaged with the war in Iraq.

“I can’t start saying things that draw me into what is a major debate about Iraq policy,” he said when I asked him whether he still thought that invading Iraq had been a good idea. “There’s a lot in the record out there that I hope to correct some day, because I’ve been mischaracterized fairly often . . . but this isn’t the time for me to do that.” I reminded Wolfowitz that President Bush had recently conceded that errors had been made in the prosecution of the war. “I said that long before any other official in the U.S. Administration,” Wolfowitz replied. “I got front-page headlines in the *Washington Post* when I said it. It was also an object lesson in how even the most sincere, well-intentioned comment can suddenly plunge you into a debate. I go back to my point here: it would be totally disorientating for this institution if my views became a subject of major discussion right now.”

In the article, which appeared on July 24, 2003, Wolfowitz stated that U.S. officials had underestimated the problems they would face after deposing Saddam. But he has said little to suggest that he feels personally responsible for the misleading marketing of the war or its subsequent mishandling. Geoffrey Lamb, a former vice-president of the World Bank, said, “With McNamara, you knew from Day One, although he never said it, that his presidency of the bank was expiation. I don’t think that’s true of Paul. My strong guess is that he doesn’t think he has anything to expiate.”

A former Bush Administration official, deflecting the issue of Wolfowitz’s culpability, cited mistakes made by other officials during the early stages of the American occupation. “Paul succeeded

in making the argument inside the Administration that Saddam had to go,” the former Administration official said to me. “He lost key arguments over implementation.” After the invasion, Wolfowitz wanted to establish a new Iraqi government made up of prominent Iraqi exiles, including Ahmed Chalabi, the head of the Iraqi National Congress. When the White House ruled out this option, he changed tack, advocating local caucuses and regional elections, which he hoped would eventually result in the creation of a new central government. “The caucus was held in the south, and a meeting was planned for central Iraq, but Bremer killed it,” the former Administration official said. “He saw it as a challenge to his authority.” After Bremer arrived in Baghdad, Wolfowitz’s influence in the Pentagon waned. An ambitious reconstruction program that he had helped plan failed to materialize; relations with his boss, Donald Rumsfeld, deteriorated; and by the end of 2004 many of his suggestions were being ignored.

Kenneth Adelman, a Republican foreign-policy expert and prominent neoconservative, says that Wolfowitz should have resigned in protest over the mismanagement of the war. “He cared deeply about Iraq,” Adelman, who has known Wolfowitz since the mid-seventies, told me. “He was at the Pentagon getting briefings that, after the end of 2003 at the latest, were saying things are going terribly, terribly wrong. And he watches it and does nothing to turn it around.” Even if Wolfowitz hadn’t been willing to quit, Adelman went on, he should have made his views known to the President or to Vice-President Dick Cheney. “Dick really was very fond of Paul,” Adelman said. “He could have gone to Dick and said, ‘Look, I don’t want to talk out of school, but listen. This is the President’s No. 1 priority and it’s all going to hell.’” Adelman told me that he still respects Wolfowitz but questions his motivations in maintaining silence. “I wish there was another explanation than personal ambition,” Adelman said. “He wanted to be a statesman and get a job like the World Bank presidency. He didn’t get the job as a reward for keeping quiet, but he got it as a consequence of keeping quiet.”

Kevin Kellems vigorously disputed the suggestion that Wolfowitz’s nomination to the bank was a reward for his silence. “There was a vacancy,” Kellems said. “He was asked if he was interested. He said yes. It’s a step up from being Deputy Secretary of Defense and a great opportunity to make a difference. This had nothing to do with Iraq.”

In building up the World Bank's presence in Iraq, Wolfowitz is hoping that it is not too late to improve the situation there. "The bank's role, I am happy to talk about," he said. "Actually, in a certain sense, it tells you that there is a lot to be worked with if security can be established. This is a country whose biggest problem is how to manage tens of millions of dollars of annual revenues. I wish most of our clients had that problem." I asked him how he could simultaneously argue that the bank should stop lending to corrupt countries and become more involved in Iraq, which now trails only Haiti in some rankings of the most corrupt countries on earth. "It's a problem to work on," Wolfowitz said. "I get inaccurately characterized on this governance issue as saying the bank should disengage. To the contrary, the basic point of the anti-corruption strategy is that we have to find ways to engage in countries with problems. In Iraq, there are certainly a lot of people who want to improve the system, who actually look to the World Bank as an ally in doing so."

In recent years, the bank has expanded its activities in other countries that have lately experienced war, such as Bosnia, Timor-Leste, and Liberia. In June, 2003, when Wolfowitz was still at the Pentagon, the bank joined the U.N. in an assessment of Iraq's reconstruction needs. With the help of donations from Britain, Japan, and the European Community, the bank established an Iraq Trust Fund, which, by the summer of 2004, was financing projects to repair schools damaged by the war, build new ones, and improve Baghdad's water supply. Various Iraqi ministries were supposed to carry out the work, with bank staffers supervising from Amman, Jordan. In November, 2005, the bank's board approved the first project in Iraq to be financed by the International Development Agency, the arm of the bank that lends to the poorest countries.

There are conflicting versions of what happened next. Wolfowitz says that before he arrived at the bank its Middle East and North Africa department had begun a plan to establish a permanent office in Baghdad. Several other people said that the idea originated in Wolfowitz's office, and that Chrik Poortman, the head of MENA, opposed it—in part for security reasons, and in part because he didn't think the plan would work. The bank had staffers in Baghdad until August, 2003, when one of them was killed by a bomb that destroyed the United Nations headquarters. The remaining staffers were evacuated, and a backup office was established in Amman. "Chrik was prepared to put people back in

Baghdad, but he didn't think the performance of the bank projects would be enhanced by that move," a former MENA official told me. "The people would have been stuck in the Green Zone. He decided to work through Iraqis, and he had a team of them in Baghdad ready to go."

The dispute between Poortman and his superiors went beyond the question of whether to set up an office in Baghdad. "There was deep disappointment at the top about the fact that our projects in Iraq weren't making much progress," the former MENA official said. "Disbursements were low." Poortman, having worked as country director for the Balkans in the nineties, knew that governments established in the wake of a violent conflict rarely have the skills or the infrastructure to use large sums of money wisely, and Iraq was no exception. If the World Bank insisted on spending a great deal of money, much of it could end up being stolen or wasted. To avoid this outcome, Poortman concentrated on "capacity building": bringing Iraqis to Amman or Washington, and teaching them how to run big reconstruction projects.

Wolfowitz didn't think that this policy was effective. "It is easy to think of supervising contracts long distance, but when the real purpose is dialogue with policymakers it is hard to do that from long distance," he said to me. "It's much better to be in close and present." Last fall, Wolfowitz replaced Poortman with Daniela Gressani, an Italian economist who had worked on his transition team. (He offered Poortman a less senior post in central Asia, and Poortman resigned.) Gressani is now in the process of hiring a new country manager for Iraq and setting up an office in the Green Zone.

The decision to establish a World Bank office in Baghdad seemed to confirm the fears of Wolfowitz's critics about his intentions. "Paul couldn't do nation-building in the Pentagon, because Rumsfeld and the military didn't want anything to do with it," Dennis de Tray told me. "He saw the World Bank as another way to make it happen. It lends money; it's got people on the ground in the region; it knows the terrain. I really think that was one of the attractions of the job to him."

I had heard a rumor, which I relayed to Wolfowitz, that he had been talking to Ambassador Khalilzad and to General David Petraeus, the new Coalition military commander in Iraq. "I don't remember talking to Khalilzad for a long time, and it was about someone he was recommending for a personnel job in the World Bank," Wolfowitz said. "I talked to the U.S. authorities, especially the

Deputy Secretary of the Treasury and the State Department people, about the reconstruction effort. I got one request from Petraeus, looking at whether we could free up some existing money for job programs in Iraq. It's a reasonable thing. I'm happy to look at it, but that's kind of the extent of it." Wolfowitz went on, "I don't want to minimize it. As I've said, we have no control over the security situation—obviously, we in the bank—but, to the extent that security can be established, the economic role is hugely important. The more people see that they have a stake in peace, the more we will have peace."

When Robert McNamara arrived at the World Bank, one of the first things he did was to draft a five-year plan, which aimed at doubling lending. When the five years were over, in 1973, he produced another five-year plan, focussed on rural development. Current and former bank staffers say that Wolfowitz has been averse to making decisions, slow at filling vacancies, and unwilling or unable to lay out a strategy for the bank, beyond battling corruption. A few months after he took over, officials in the bank's finance and planning departments presented Wolfowitz with several proposals for shifting resources to Africa from other parts of the world. "There were three options: one marginal, one moderate, and one radical," a former bank staffer recalled. "The radical option said, 'Cut the budget significantly from other parts of the bank, such as Eastern Europe and Central Asia, and move all the money to Africa.' He looked up and said, 'That sounds good.' But nothing ever happened. He didn't make a decision." (According to the Government Accountability Project, a Washington watchdog group, the World Bank's lending to Africa in the first three quarters of fiscal year 2007, which began last July, has fallen by a billion dollars compared with the same period in the 2006 fiscal year.)

Some important positions at the World Bank have been empty for months. The East Asia and Pacific department, which includes three of the bank's biggest borrowers—China, Indonesia, and Vietnam—lacked a vice-president for more than a year. The Africa department didn't have one for three months. "I get a lot of calls from people in the bank looking for jobs," a veteran development expert said to me recently. "They are disillusioned with Paul. They think there is no other shoe to drop. There isn't going to be a moment when his vision becomes clear and he defines where he wants

to take the bank. It just isn't there. It's nothing to do with his record in Iraq, with being a neocon, all that stuff. It has to do with being an executive and a leader. I say this with great regret. I wanted him to succeed, and I still want him to succeed. McNamara had a lot of baggage, but he carried it with him to the bank and did great things."

The chances are that Wolfowitz will remain in office until 2010, when, if the Democrats win the White House, he will almost certainly be replaced. After more than thirty years in Washington, he is used to political power struggles and institutional infighting. Since the mid-seventies, when he was part of Team B, he has been challenging entrenched bureaucracies. "I don't want to be flip here," he said not long ago, sitting at a table in his wood-panelled office on the twelfth floor of the World Bank's headquarters. "But if no one was complaining, then nothing would be happening."

Wolfowitz's allies point out that James Wolfensohn also generated controversy during his first years at the bank, but by the time he left he was generally recognized as having been a good president. "Bureaucracies are not easy to change; those of us who have worked in them know that," Karl Jackson said. "If you had interviewed people at this stage in Jim Wolfensohn's tenure, you would have concluded he was the Devil incarnate." In recent months, Wolfowitz has filled some of the vacancies created by resignations, and most of his hires have been foreigners. "I've brought in a Swedish executive vice-president of the I.F.C., an Italian chief financial officer, a Salvadoran managing director, a New Zealander managing director, a Spanish general counsel," he said. "I've got a woman from Ghana who's my chief of staff, and the deputy is a man from Ivory Coast. Most recently, I've brought in a vice-president for human development who is a woman from Botswana, and I will shortly have a Jordanian man as vice-president for external affairs. Best I can tell, none of those people are American." (Critics inside the bank point out that Cleveland, Folsom, Kellems, and Jackson remain in place, and that many of Wolfowitz's appointments are people from countries that have actively or tacitly supported the Iraq war.)

A couple of weeks ago, Wolfowitz pushed through an internal reorganization, aimed at enabling the World Bank to send money more rapidly to disaster areas. He insisted that he was enjoying himself at the bank, and said he was optimistic that he would get the financial commitments necessary

to secure its future. “I think one of the most important points to get across to all the donors is that even though there is a lot you can do bilaterally, a great deal of that depends on having a system in place that requires multilateral funding,” he said. “I certainly wouldn’t be here if I didn’t believe in the importance of multilateral institutions.”

The morning after Wolfowitz’s visit to the Selimiye Mosque, his bare toes featured prominently in the Turkish newspapers. “PRESIDENT WITH A HOLE IN THE SOCKS,” the headline in *Sabah* said. “THE BOSS OF MONEY HAS A HOLE IN HIS SOCK,” *Posta* declared. None of the papers reported the aerial emergency, but it was on Wolfowitz’s mind. “I’m wondering if we should be flying at all in those sorts of conditions,” he said. “Helicopters are tricky. They’re not supposed to fly at all.” After having breakfast with representatives of several local nongovernmental organizations, he visited a paper-recycling depot on the outskirts of Istanbul, another client of the I.F.C. Then he went to the airport, where he thanked the bank’s local staff for making his trip a success, saying, “I think we got five days of visits into a day and a half.” Somebody brought up the threadbare socks, and Wolfowitz smiled. “It’s a good joke,” he said. “I’m glad I went to the mosque.”

Before returning to Washington, Wolfowitz met for an interview with Mehmet Ali Birand, a nightly news anchor on Turkish television. “He saved me once,” Birand told me as he sat on a makeshift set at the terminal, preparing his questions. “The Turkish military wanted my head, and he intervened.”

In 1998, Wolfowitz, then at Johns Hopkins, was visiting Istanbul for a conference organized by the American Enterprise Institute. Birand had written columns calling for better treatment of Turkey’s Kurds, and his employer, *Sabah*, had been forced by senior members of the military to lay him off. Wolfowitz, informed of Birand’s plight, met with him in Istanbul. “Paul’s intervention was crucial,” Birand recalled. “General Bir, the No. 2 guy in the military, was an old friend of his. He talked to him and said, ‘Look, you can’t do this.’ ”

Birand got a new job, and he and Wolfowitz stayed in touch. I asked Birand how the war in Iraq had affected Turkish views of Wolfowitz. “Now people think he is doing a good job for the poor at the World Bank,” Birand replied. “It is like Robin Hood: stealing from the rich to give to the poor. If he

had stayed at the Pentagon, it would have been different. At first, public opinion was in favor of the war. But, when the Americans fucked up, that changed. Now the Turks are furious—with themselves as well. They think, How could we do this?”

Wolfowitz walked onto the set and greeted Birand warmly. Most of Birand’s questions were about Turkey’s economic situation, but toward the end of the interview he asked, “How do you see Iraq? Disintegrated, or getting better?” Wolfowitz parried. “I don’t have a crystal ball,” he replied. “I do know what’s best for the Iraqi people, and that’s a peaceful, stable, unified country, and I know that’s the Turkish view as well.” Birand said that many Turks were frightened by what was happening in Iraq. “There have been a lot of frightening things in Iraq over the last thirty years,” Wolfowitz said. “It will calm down?” Birand asked. “I hope so,” Wolfowitz said. ♦