

Patrick Allan Sharma. *Robert McNamara's Other War: The World Bank and International Development.* Politics and Culture in Modern America Series. Philadelphia: University of Pennsylvania press, 2017. 264 pp \$39.95, cloth, ISBN 978-0-8122-4906-4.

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Robert McNamara was an enigma his entire life. His legacy will be debated for many years after his passing. He succeeded in transforming every enterprise where he played a role: the auto industry, US foreign policy in Vietnam, and the world of international development in the 1970s. Yet the changes he initiated both harmed and helped their intended targets. Using the prism of McNamara's thirteen-year presidency of the World Bank, Patrick Sharma offers a significant contribution to our understanding of this complicated man, and the world of international development where he focused the third portion of his career. Unlike previous leaders, he was the first who tried to turn the bank into an intellectual leader as well as a lending institution. Sharma is also keen to point out that McNamara made conditionality a central feature of the organization's work.

Robert McNamara's Other War opens with a discussion of the history of the bank from its creation until the 1960s, and McNamara's own initial experiences with war. The early World Bank was stymied by domestic American political tensions wherein the World Bank president and American executive director competed for influence over control of the bank's lending direction. Once the situation was resolved in favor of the president,

the organization needed to expand its capability by raising money from American capital markets in order to become a true global power. During these same years, McNamara was forging his way, first in the air force and later at Ford Motor Company as a "Whiz Kid." When President Lyndon Johnson assumed office, he inherited McNamara as his secretary of defense. When Johnson's relationship with McNamara soured, he sent him to the World Bank upon the recommendation of its then president, George Woods. As Sharma points out, it was a shrewd maneuver because the bank's Articles of Agreement prevented the World Bank's president from commenting on the political affairs of member countries, including the United States. Regardless, McNamara's transition from secretary of defense to World Bank president would always seem as if he were doing penance for Vietnam.

To increase the bank's size and influence, McNamara quickly turned to expand its existing borrowings by selling more bonds in other countries. He also worked to modernize its management structure, beginning with its accounting system. In addition, he expanded ties with other international organizations, such as the World Health Organization, International Labor Organization, and UN Industrial Development Organization. Next,

McNamara moved to de-emphasize the large infrastructure projects that had characterized the bank's early years with their emphasis on growth, and replace them with broader concerns, such as population growth. He was particularly skillful at navigating the new external environment the bank confronted, chiefly the oil shocks of the 1970s and efforts by the US government to control its operations.

Later in the book, Sharma details the problems that McNamara confronted in seeking to accomplish his goal of alleviating poverty. The examples of early rural development projects served as a precursor for many later World Bank projects, where local agencies struggled to meet World Bank requirements and the intended population received relatively few benefits. These projects also became a cause for concern about the connection between lending and policy. McNamara formally proposed Structural Adjustment Lending in 1979. Wanting to encourage wealthy countries to open their markets to developing country exporters, the bank would also encourage developing countries to expand their export sectors by carrying out structural adjustments. Thus, the bank would link country lending programs explicitly to the economic policies of member governments, by agreeing to a range of bank-prescribed economic policy changes.

Shortly thereafter, McNamara informed the World Bank's board that he would be leaving. In 1982, the role of the bank changed again when Mexico suspended payments on its external debt and triggered an international crisis. Although the event was after McNamara had departed, the response of the US government and the World Bank to that crisis was based on the substantive changes he had brought about—notably, the rise in conditional lending. In a similar fashion, while Sharma notes that McNamara never incorporated environmental concerns into the bank's lending practices while he was its president, by the 1990s, the bank became involved in environmental as

well as global health policies. These later initiatives were possible in no small part due to McNamara's early efforts at outreach to other international organizations.

Sharma ties these themes together by arguing that the story of McNamara's presidency of the World Bank is a story of good intentions gone awry. By focusing on the term of one man, he argues for the importance of the individual in the history of any organization—in this case the importance of an American at the helm of an international organization. This is a compelling argument, and one that is frequently lost during debates about the topic. It also reflects the high degree of balance Sharma brings to each chapter by illuminating the positive and negative effects of what McNamara initiated. Sharma gives the laudable impression that he is advocating neither for nor against what McNamara did. Rather, he places McNamara's role at the bank in the context of its impact on how the world community came to understand international development, and how to figure out the best way to redress global imbalances with the precision of Western quantitative analysis.

Based on these strengths alone, *Robert McNamara's Other War* will provide useful background material for anyone interested in the man, the history of development, or the extended national and international diplomatic background of the 1970s. In addition to accessing the records of numerous national archives and those of international organizations, Sharma was successful in consulting the archives of the World Bank Group, which was off-limits to many scholars prior to 2011. Moreover, readers will find the volume a delight to read, since Sharma's writing style is so accessible and engaging.

Admittedly, the book's focus is on the world of international development. However, the history of development was shaped in those years by the winding down of the decolonization movement, rising voices of the former colonial peoples in in-

ternational forums, and the Cold War. Therefore, if there is to be criticism of the volume, it would rest with Sharma's lack of connection of McNamara's work to the domestic American political environment in these years, and the intellectual relationship between McNamara's bank and rival development strategies offered by developing countries. Without examining these other forces at work, it is difficult for the reader to sort out where the role of McNamara as an individual operates in relation to the material concerns of the day, or what international relations scholars would distinguish as "levels of analysis."

First of all, the Cold War was an important feature of the landscape of international development as well as domestic American politics. This context shapes many of the events that Sharma details, and would enhance his presentation of them. For example, Sharma notes that when the People's Republic of China joined the World Bank near the end of McNamara's time, it doubled the bank's developing country population and appeared to have become the global institution he envisioned when he took over. However, this event was not only attributed to months of negotiations between the bank and Chinese officials, or to the meeting between McNamara and Deng Xiaoping in Beijing. McNamara had invited the People's Republic of China to apply for membership as early as 1973. No decision could be made as long as Mao Zedong lived. After the economic reforms of 1978, discussions reopened, and the Taiwan issue remained. When China did join, the decision was aided by the additional resources that would come from the International Monetary Fund (IMF).[1]

Secondly, competition existed in the 1970s between McNamara's bank and other organizations that sought to advance the goal of development. Notably, developing countries sought a New International Economic Order (NIEO) through UN agencies, and the United Nations Conference on Trade and Development was still working to se-

cure its status with the General Agreement on Tariffs and Trade. Many ideas in these plans were not new, but had been tossed around in international organizations from the 1960s on. However, the commodity price boom in the 1970s pushed them into a more prominent place on the international agenda. Sharma reviews how McNamara tried to distance the bank from the NIEO at the same time Henry Kissinger worked to bring them together. Sharma acknowledges that this tension reflected the push of the American desire to control the bank and the pull of having an American in charge who was not controlled by the US government. However, the story of the NIEO and the bank is more complex.[2] The effects of these struggles left many in the South disillusioned with the notion of development altogether.[3]

Finally, some readers may wish Sharma had fleshed out the ties within the American political process more explicitly. McNamara's vast network sustained him throughout his tenure at the World Bank. He was successful in circumventing the usual diplomatic channels at the Treasury Department because he could approach so many members of Congress and business leaders directly. These ties may have helped him with Democratic presidential administrations, such as Johnson's and Jimmy Carter's, whereas partisanship may have tainted his relationship with the Republican administration of Richard Nixon. McNamara's career in Vietnam certainly influenced debates on funding the World Bank in Congress once the bank sought to resume lending after the American war ended.[4]

Thus, Sharma avoids the question of whether or not it is advantageous to have an American as the head of the bank. While this issue was not as controversial in McNamara's time, the "gentleman's agreement" by which developed countries select the head of the World Bank is currently assailed as not reflecting contemporary power dynamics and criticized by those who would do away with such preferences altogether.[5] On the

other hand, as one of the few international organizations that does have an American serving as its head, the World Bank may access domestic funding channels in Congress through that person's influence, as McNamara did.[6] McNamara's legacy in enmeshing the World Bank in this network is as important as his efforts in doing the same in the constellation of international organizations.

Nonetheless, these are minor quibbles. The book is best when Sharma weaves the work of the man with that of the organization and the world of international development. Although that discussion is not always embedded in a broader context of McNamara's world, that was not necessarily Sharma's intent in writing it. It is an important contribution that will remain relevant for scholars, practitioners, and anyone interested in the life of Robert McNamara for years to come.

Notes

[1]. Harold James, *International Monetary Cooperation since Bretton Woods* (New York: Oxford University Press for the IMF, 1996), 554-555.

[2]. Craig N. Murphy, *The Emergence of the NIEO Ideology* (Boulder, CO: Westview Press, 1984).

[3]. Arturo Escobar, "Power and Visibility: Development and the Invention and Management of the Third World," *Cultural Anthropology* 3, no. 4 (1988): 428-443.

[4]. Kathryn C. Lavelle, *Legislating International Organization: The U.S. Congress, the IMF, and the World Bank* (New York: Oxford University Press, 2011).

[5]. Jacob Katz Cogan, "Representation and Power in International Organization: The Operational Constitution and Its Critics," *American Society of International Law* 103, no. 2 (2009): 209-263.

[6]. Kathryn C. Lavelle, "American Politics, the Presidency of the World Bank, and Development

Policy," in *Policy Research Working Paper* (Washington, DC: The World Bank, 2013).

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