ANALYSIS ON WORLD BANK'S DISBURSEMENTS DISTRIBUTION IN LATIN AMERICA BETWEEN 1985 AND 2010

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Abstract: This article analyzes World Bank's disbursements distribution criteria in Latin America and the Caribbean, in the period comprised between 1985 and 2010, aiming at identifying tendencies in disbursements distribution among the region's countries. Hence, the authors propose the concept of "adherence": the approximation between disbursements distribution and socio-economic needs in recipient countries. Thus, the article seeks to identify the criteria that guide resources distribution and their correspondence to WB's stated mission of fighting poverty. The article tests the existence of such criteria with the econometric analysis of disbursements for each country, in relation to population, per capita income, GDP, political regime, investment participation and government expenditure. Resources distribution is also analyzed in terms of economic sectors, in selected sub-periods, also aiming at identifying World Bank's priorities in the region, as well as the disbursement changes occurred in the period.

Key words: World Bank, poverty, development assistance, political economy, Latin America and the Caribbean.

Resumo: Este artigo analisa os critérios da distribuição de desembolsos do Banco Mundial (BM) na América Latina e Caribe, no período de 1985 a 2010. Pretende-se identificar a existência de tendências na distribuição de desembolsos entre os países da região, a partir da proposição do conceito de "aderência": ou seja, a aproximação entre a distribuição de desembolsos do Banco e as necessidades socioeconômicas dos países. Busca-se, assim, identificar os critérios que guiam a distribuição de recursos e sua correspondência à missão declarada do Banco Mundial de combater a pobreza. O artigo testa a existência desses critérios, pela análise econométrica dos desembolsos por país em relação a população, nível de renda per capita, PIB, índice de Gini, regime político, participação no investimento e gastos do governo. Analisa-se também a distribuição dos recursos por setores da economia, em subperíodos selecionados, de forma a identificar as prioridades do BM na região, bem como as mudanças de desembolso no período.

1. Introduction

This paper analyzes the actions of the World Bank (WB) in Latin American and Caribbean (LAC) based on a recipients-oriented perspective: an analysis which aims at trying and identifying trends on the Bank's resources distribution in relation to a set of economic and social indicators that outline LAC countries reality as recipients. While studying the actions of international financial institutions, such as the WB, three main perspectives are commonly used as analytical guidelines. While many authors focus on the efficiency of WB's projects in specific countries and regions (Hansen and Tarp, 2001; Nath, 2001; Santiso, 2001; Ismi, 2004; Bourguingnon and Sundberg, 2008), on a literature one might name as *aid effectiveness literature*; others look onto WB through the lenses of what one may call *governance literature*, trying and understand the Bank's institutional arrangements and issues (Vikas, 2001; Griffith-Jones, 2002; Buira, 2005; Bhalla, 2006; Foch, 2007; Kaluza and Kaluza, 2008;). Still, others center their analytical efforts on what one may name *conceptions literature*, one that revolves around the Bank's discourse and its alleged purposes and stated objectives, made more or less clear on its official documents and World Development Reports (Hibou, 2000; Teixeira, 2009; Pereira, 2010; Vianna Jr., 1998; Rached, 2010).

The authors of the present work, however, believe that little has been studied on *what seems to motivate the WB to distribute its resources*. Hence, recognizing the importance of the *conceptions literature,* instead of analyzing the criteria enshrined in WB official documents, we aim at identifying criteria *actual* trends by analyzing the true disbursements distribution made by the bank in Latin America and the Caribbean. Hence, considering WB goals of alleviating poverty and fostering development, the present work seeks to answer the following fundamental question: Can any trend be outlined in disbursements distribution in LAC? This umbrella-question is specified as follows.

(i)   Knowing that the WB allegedly aims at combating poverty, can any trend be outlined in disbursements distribution in LAC in relation to these countries' social and economic profiling?

(ii) Bearing in mind that the disbursements distribution among economic sectors is a possible *proxy* for understanding the WB's view on development and poverty alleviation, can any trend be outlined in disbursements distribution in relation to economic sectors (such as agriculture, public administration, etc.)?

Thus, moving away from most of the analyses on the WB, we look for the criteria that seem to guide disbursements: although not the declared reasons, those that may be identified with a close and thorough look on (i) the countries' socio-economic profiles, outlined by indicators such as gross domestic product (GDP), per capita GDP, Gini Index, institutional indexes, etc., (ii) the economic sectors prioritized by the financial flows disbursed by the WB. While most analysts look onto the Bank itself, our perspective is quite another: to look at the group of countries that receive the Bank's resources, to try understand which of their characteristics establish a safe ground to assess, based on the WB's alleged preoccupation with poverty, the organization's actions.

While section 2 outlines the analytical contributions of the various approaches to WB and development assistance, the methodology that will lead this paper to answer the central question is presented in section 3. We use the panel data estimation method with fixed effects, with information about 30 countries in LAC, and disbursements received by them from the WB in a 26-years period comprised between 1985 and 2010. The database has been organized based on official data provided by the World Bank's Latin America division.

As the analysis looks for trends in disbursements in relation to LAC countries' socio-economic profiling, a new concept is proposed: *adherence*, which can be understood as the approximation between (i) the bank's action (resources disbursement distribution) and (ii) the recipients' socio-economic needs. Hence, this paper will test the hypothesis that lower economic and social standards in countries are met with relative larger amounts of disbursements by the bank, which would indicate *adherence*. Any other scenario, as analyzed in section 3, would indicate a lack of adherence, which, on its turn, would lead to the conclusion that there is a certain lag between the WB's discourse and its real, practical action in meeting the challenge of poverty alleviation.

In section 4 we look at sectorial disbursement distribution, with the double objective of (i) identifying WB´s disbursement priorities e, by doing so, identifying the priorities that have actually guided its assistance in the region and (ii) verifying if these priorities have been sustained throughout the period.

2. References for analysis

For a start, we may establish that the World Bank (WB), hereby understood as the coupled institutions International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD), is an International Financial Institution (IFI), classified as a Multilateral Development Bank (MDB), which issues loans and grants for the

purpose of poverty reduction in countries around the globe, hereby understood as *development assistance* (DA)*,* in a broad sense.

Development assistance should not be mistaken for Official Development Assistance (ODA), which comprises flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective and stems from agencies or governmental departments that provide financial aid to non-governmental organizations (NGOs) and community-based organizations.

If one was to look only to ODA, in the present analysis, only IDA should be studied, decoupled from IBRD. As it is outlined in the institution's official webpage[1], the IBRD's primary business is offering loans and policy advice to client governments, differing from IDA, whose main goal is to provide development assistance (in this case ODA) on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans, including those of the IBRD itself. For that reason, to analyze both IDA and IBRD altogether, the term *development assistance* suits the present study better, comprising the action and the assistance flows of both institutions.

As Hanmer, Pyatt and White (1998) put it, the problem of poverty is central to the WB, and so is the planning of actions to face it and, allegedly, solve it. WB's antipoverty activities are focused on open markets, political participation and infrastructure as landmarks. In WB's initial operating decades, GDP was the basic criteria for assessing recipient countries' economic development and their policy efficacy and hence conditioning the bank's resources allocation. Under Robert McNamara (1968-1981) "the development understanding scope was broadened", to consider "involving a shift in societies life standards as a whole" (Rached, 2010, 48). The importance of the social agenda grew in the next decades in WB disbursements planning, but economic growth remained important in WB agenda – enriched with a number of political and institutional conditions that, in the Bank's view, would favor development (Rached, 2010, 49).

The 1990s and 2000s saw an increase in poverty in a number of countries due to economic liberalization policies, which supported by the WB. One of its responses to those crises was a growing emphasis on "structural adjustment" programs, based on the argument that infrastructure financing could be made by the private sector, once legal and operational conditions were laid by governments. Rached (2010, 52) understands that the WB progressively incorporated in its assistance programs the perception that economic growth

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[1] www.worldbank.org.

and poverty reduction require not only suitable economic policies, but also the strengthening of adequate institutions that would generate a "favorable environment" for development.

Currently, WB's main objective, as outlined in its official webpage[2], is to fight poverty, based on two goals the world should achieve by 2030: (i) end extreme poverty by decreasing the percentage of people living on less than US$1.25 a day to no more than 3% and (ii) promote shared prosperity by fostering the income growth of the bottom 40% for every country.

Clearly, a natural and logical step taken by the analyst of these actions is to try and understand how effective the Bank's actions in facing poverty have been. That is the effort undertaken by authors such as, among others, Santiso (2001), who establishes the connection between political performance and inclusion as fundamental to economic feasibility of development assistance; Bourguignon and Sundberg (2008), who analyze the complexity of causality chain between development assistance and development outcomes and Ismi (2004), who, while analyzing WB resources conditionality, claims that the Bank's work in Africa has been highly counter-productive and negative to the region.

The WB, then, should play an important role as an essential source of financial resources and technical assistance for developing countries. That means that it is not a bank in the ordinary sense, but a partnership to reduce poverty and support development, as it provides low-interest loans, interest-free credits, and grants to developing countries. These support a wide array of investments in such areas as education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management. Some of its projects are co-financed with governments, other multilateral institutions, commercial banks, export credit agencies, and private sector investors.

In Sogge (2002) prologue, José Antonio Alonso offers a glance at the theoretical approach that includes DA in a context of global governance in the terms of what is defined as governance by Keohane and Nye (2000). That's why it takes into consideration the globalized reality of the world and the perception that poverty – seen as an impeditive to development – is not simply an issue born within the boundaries of the countries haunted by it. This perception poses the question of both poverty and development as global issues that should, therefore, be considered, discussed and decided upon in organizations with global scope and, supposedly, inclusive institutional arrangements.

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[2] www.worldbank.org.

Sogge (2002, p. 10) himself presents an essential question on the matter of governance, considering if it "is reasonable that countries which normally benefit from an asymmetric international relations system are also those to whom the responsibility is given to correct (through foreign DA) the malefactions consequent of this very system".

This quotation marks the fundamentals of what he have decided to call *governance literature* on the WB, as previously analyzed by authors such as Swedberg (1986), Lichtensztejn and Baer (1987), Griffith-Jones (2002), Wade (2001), Allegret and Dulbecco (2003), Borges (2003), and Kapur (2006). All these authors, in a way or another, are worried about how countries are institutionally represented, how their voices are made heard within the organization and how open and permeable to the countries' interests it is.

As previously stated, poverty demands the formulation of actions: the WB activities, projects distribution and development assistance depend on the definition and decision, which are, clearly, influenced by the concepts and ideas that the technical instances of the Bank consider important. As Hibou (2000) states, the WB does base its projects and actions on a canon, one economic theory, which leads us to agree with the author's claim that there can be no scientific approach to reality without values entailed in analyses themselves, so that the edifice of the Bank's discourse

> is constructed through at least four procedures: the choice of certain models, the omission of certain rules in selected models, the introduction of certain hypotheses to obtain a single solution, and the repudiation, explicit or not, of certain theories (Hibou, 2000, p.5).

As she states, the Bank's conceptual framework for action is underpinned by liberal economic policy, which is made clear by a series of WB documents and analyses focused on the supposed positive effects of liberalization, presented by the author[3].

Likewise, while analyzing the World Development Reports, Teixeira (2009) asserts that market is prioritized over society, markedly in recommendations for Brazilian policy-makers to undertake greater market liberalization and seek rapid growth instead of looking for income distribution policies. The author stresses that the Bank's discourse, indicator of its own conceptions of poverty alleviation, growth and development, reduces social protection to a simple focus on those who are in extreme need, in lieu of truly transforming social and economic conditions in favor of profound social changes.

Pereira (2010), on his turn, presents the transformations of the WB's discourse in dealing, in the late 1990s, against all odds and its own previous postures, with the role of state as an important player in development. Besides, the author demonstrates the criticism of the

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[3] World Bank (1988, 1989, 1994a, 1994b) and World Bank and UNDP (1989).

Bank's scientific bases and biases while analyzing poverty alleviation and development around the world: its research agenda is largely determined by political prescriptions lined up with the neoliberal schema.

Hibou (2000) and Teixeira (2009) question the conceptions that inform the Bank's actions, Fuller (2002, p. 3) serves as an interesting contribution, and a typical example of what we decide to call *conceptions literature*. In her work, the author points out "well based analytical perspectives on foreign aid", which may be transposed into WB's projects analysis, as previously proposed. According to her, one might see DA (and the Bank's projects distribution in LAC) through (i) an idealist perspective or (ii) a realist perspective.

From an idealist perspective, one might suppose that the WB's loans and credit flows would have been directed to LAC with a humanitarian concern, which means it would be reasonable to find larger projects amounts in those countries with a lower average income, in lieu of middle income countries. Therefore, one may conclude that, if WB's credits and loans projects flows were directed, in the period, to countries with a lower per capita income, then, the institution has, indeed, a humanitarian posture, aiming at countries where poverty is a problem, in line with its website's heading: "working for a world free of poverty".

From a realist perspective, DA flows should be seen as part of strategic concerns from the main players involved in the decision-making process within the WB markedly those liked to security and self preservation. This perspective is clearly tributary to the Cold War moment, confluent to Alonso's tradition. In this context, according to Schraeder et al. (1998, p. 296 apud Fuller, 2002, p. 3-4), DA "is perceived as only minimally related to recipient economic development and the humanitarian needs are downplayed". This perspective sets in the focus of the discussion the role of governance within the institution, as already pointed out by authors such as Swedberg (1986), Lichtensztejn and Baer (1987), Allegret and Dulbecco (2003) and Pereira (2010).

Fuller's analytical landmarks recognize the role of a conceptual framework or posture coupled with an institution's real action (Fuller, 2002). That is, precisely, what the authors of the present work seek: in analyzing the amounts distributed to LAC countries and combining them with socio-economic indicators, we seek to test the Bank's proposition of a "poverty alleviation" agenda. Hence, we seek to analyze (i) the socio-economic profiling of WB disbursements in recipient countries and (ii) the distribution of resources according to economic sectors.

3. Methodology for an analysis on resources distribution among countries

As we try and understand the reasons (determinants) for WB's disbursements distribution in a region in an established period, we propose a new concept: *adherence*, which can be identified when national needs are met by loans and grants availability. In other words, adherence may be identified when higher disbursements amounts are offered to countries with relative lower economic and social standards. The hypotheses using adherence are outlined subsequently.

Complementing the discussion made until now, we now move to econometric tests in order to assess if the WB has indeed distributed its resources in Latin America and the Caribbean, in the period comprised between 1985 and 2010, in terms of countries poverty challenges: one should expect that a larger average amount of finance is directed to relatively less developed countries. Thus, a panel estimation method is applied considering fixed effects (*Within* estimator[4]), with information about 30 countries in Latin America and the Caribbean, between the years of 1985 and 2010 (26 years), defined in function of the availability of data necessary to the tests[5]. The estimated models are based on the equations (1) and (2) below:

$$d\_WB_{it} = \beta_0 + \beta_1 GDP\ per\ capita_{it} + \beta_2 Gini_{it} + \beta_3 Population_{it} + \beta_4 I_{it} + \beta_5 X_{it} + u_i + \varepsilon_{it} \quad (1)$$

$$d\_WB_{it} = \alpha_0 + \alpha_1 GDP_{it} + \alpha_2 Gini_{it} + \alpha_3 Population_{it} + \alpha_4 I_{it} + \alpha_5 X_{it} + u_i + \varepsilon_{it} \quad (2)$$

having β_0 and α_0 constant (intercepts); d_WB_{it} the dependent variable, that corresponds to the total disbursed amount by the WB (for the various sectors for which the bank offers financial assistance) received by country i (in millions of US$ at constant prices) in year t ($t = 1985, 1986, ..., 2010$)[6]; $GDP\ per\ capita_{it}$, country i's Gross Domestic Product (GDP) *per capita* in year t; GDP_{it} country i's GDP in year t; β_1 and α_1 the coefficients associated, respectively, to these; $Gini_{it}$ the Gini index in country i in year t; β_2 and α_2 the coefficients associated to the index; $Population_{it}$ the population size (number of inhabitants) in country i in year t; β_3 and α_3 the coefficients associated to it; I_{it} a vector of institutional variables in country i in year t; β_4 and α_4 the coefficients vectors associated to theses; X_{it} a vector of two

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[4] The Within estimator is commonly seen by a number of authors as a consistent tool for controlling the effects of analysis units' (in this case, countries) characteristics that do not vary in time (fixed effects). Dependent and independent variables, of each i country and in each t year are transformed into deviations in relation to the respective averages. For a deeper discussion on Within estimator and, specifically, on how deviations in relation to averages control fixed effects, see: Greene (1997), Baltagi (2001), Wooldridge (2002), Angrist and Pischke (2009) and Cameron and Trivedi (2009).

[5] Estimations with heteroscedasticity-consistent standard errors.

[6] Information made available by the WB, at its own projects database: http://www.worldbank.org/en/region/lac/projects .

variables that represent the GDP composition (investment and government expenditure) in country i in year t; β_5 and α_5 the vector of coefficients associated to these; u_i the non-observed characteristics which differ among countries but which are fixed in time (fixed effects) and ε_{it} the random error.

GDP per capita and *GDP* variables have been obtained with *Penn World Table 7.1* (PWT 7.1)[7]. Once the present study assesses if resources transferred by WB are influenced by levels of income in countries, these are two of the variables of higher interest, not employed in the same estimations for being collinear and, when coupled with *Population*, for resulting in perfect collinearity. Besides this technical explanation, the use of both variables instead of one is justified, instead of one because they may each capture different analytical aspects. While per capita GDP may indicate WB's preference for countries with higher or lower levels of poverty (or average income), total GDP may indicate the bank's preference for smaller or larger economies. Larger economies, for example, can have larger synergies for WB's disbursements, which would maximize their efficiency. We may suppose, still, that WB would consider the interests of large capital groups, supposedly more interested in WB projects that would increase general efficiency, which is more plausible in larger economies.

In a broader perspective, if the coefficients associated with these variables (β_1 and α_1) are negative (and significant), there will be evidence that do not refute the hypothesis of "adherence" between WB's resources disbursement decision and countries' profiling, which is the same as saying that the Bank is fulfilling its goal of a foster and partner in the fight against poverty. On the other hand, if $\beta_1 > 0$ and/or $\alpha_1 > 0$ (significant), the evidences will suggest that the criterion for resources distribution is not compatible with what is expected from a multilateral development bank, that is, the resources would not be directed, with priority, to countries in greater need (least developed countries) and, hence, the WB is not acting effectively towards the fulfillment of the objectives one may expect from it to uphold. In this case, one may infer that the returns on projects in countries with higher income levels are higher and the bank would be distributing resources motivated by economic feasibility and return prospects.

Another interest variable is *Gini*, which is inserted in the estimations with the objective of capturing additional evidences related to the existence or non-existence of social

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[7] Heston, Summers and Aten (2012): purchasing power parity (PPP) converted GDP (Laspeyres) at 2005 constant prices. For further details: https://pwt.sas.upenn.edu/php_site/pwt_index.php.

motivation for fighting poverty in WB's disbursements decision[8]. It is important to underline that a development institution should prioritize least developed countries and countries with lower development levels tend to have higher income concentration[9]. If there is a social preoccupation in disbursements, *Gini* variable coefficients (β_2 and α_2) must be positive (and significant); other results would refute this hypothesis.

The last interest variable is *Population*, used to control for the possibility of WB, while deciding upon the disbursements distribution, considering countries' population sizes. On one hand, the larger the number of inhabitants, the more elevated will be the amount of people who may benefit from the investment, which could motivate the WB in case it is worried about socio-economic impacts of its disbursements. On the other hand, even if such preoccupation exists, the larger the number of inhabitants, the more elevated would be the probability of project success, once countries with larger populations would tend to have, in most sectors, larger capacity of generating revenue and small costs (scale economies), affecting projects' economic feasibility and return.

Hence, if estimated coefficients associated with the *Population* variable (β_3 and α_3) are positive (and significant), it possible that that is due to a social bias that should motivate a multilateral development institution, such as the WB; however, it is also possible that it is due to economic bias, in supporting economically feasible projects. Facing this possibility, the population must be controlled for, but its results analysis should also combine and be matched with GDP and Gini index.

According to Abrucio and Loureiro (2004), international organizations, such as the WB, have been advocating and broadcasting the idea that development, in many countries, shall not be achieved only with resources transfers for investments. Moreover, institutional reforms would be necessary in order to reduce inefficiencies in governments' resources allocation, so that practices such as corruption and cronyism are eliminated (or, at least, diminished), once they have negative impact on economic performance. According to Schneider and Doner (2000), this (a larger focus on institutional change) is due to the influence of institutional theories in these organizations. The authors highlight, in this context, the World Bank, which

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[8] Gini index ranges from 0 to 1, being 0 a perfect situation of income equality and 1 a scenario of complete concentration. Within this interval, the higher the index, more concentrated is income distribution (inequality). Data have been obtained in *World Institute for Development Economic Research* (http://www.wider.unu.edu/). For some countries, there are no data for all years in the analyzed period. In these cases, geometrical interpolations have been made.

[9] A number of studies discuss the relation between economic development and income concentration, such as: Kuznets (1955), Deutsch and Silber (2000) and World Bank (2013).

stands up for democratic institutions as one of the pillars of developed countries, emphasizing their role in contracts guarantees, in legal processes efficiency and in decision transparency.

Thus, it is possible that the WB decides upon the distribution of its disbursements according to countries' institutional framework. On one hand, it could give privilege to countries that already have a "favorable" framework, closer to what the bank stands up for. On the other hand, it could privilege countries with a "non-favorable" institutional framework, aiming at induce them to implement institutional reforms. In order to control for these possible motivations, three political regime variables shall be considered in the estimations, *democracy, autocracy* and *duration*. Besides, interactions among the three variables shall be incorporated. They are represented in equations (1) and (2) by vector I_{it}, associated with coefficients β_4 and $\propto_4$.

The institutional variables have been designed from information available in *Polity IV* database, from the *Center for Systemic Peace*. Considering a series of political-institutional characteristics, in this database, political regimes are classified − in line with Marshall and Cole's (2011) suggestion − with an index that ranges from -10 to 10, being those countries with numbers between 6 and 10 considered democracies; -10 to -6, autocracy; -5 to 5, an anocracy. According to the authors,

> Democracy and autocracy are commonly viewed as contrasting and distinct forms of governance. Principal differences are found in the ways executive power is acquired and transferred, how political power is exercised and constrained, how social order is defined and maintained, and how much influence public interests and opinion have on the decision making process. (…) Anocracies are countries whose governments are neither fully democratic nor fully autocratic but, rather, combine an, often, incoherent mix of democratic and autocratic traits and practices (MARSHALL; COLE, 2011).

Democracies have institutionalized procedures for open, competitive, and deliberative political participation; choose and replace chief executives in open, competitive elections; and impose substantial checks and balances on the discretionary powers of the chief executive. In autocracies, by contrast, citizens' participation is sharply restricted or suppressed; chief executives are selected according to clearly defined (usually hereditary) rules of succession from within the established political elite; and, once in office, chief executives exercise power with no meaningful checks from legislative, judicial, or civil society institutions.

According to this classification, *democracy* variable is a *dummy* that has 1 as value if the country *i* in year *t* has a score i n the *Polity IV* database between 6 and 10, or 0 as value if otherwise. The *autocracy* variable is also a *dummy* that has value 1, if the country *i* in year *t* has a score between -10 and -6, or 0, if otherwise. Thus, the *default* will occur with countries

classified as *anocracies*. A positive (and significant) coefficient associated with the *democracy dummy* would signal that the WB privileges countries with a "favorable" institutional framework. A positive (and significant) coefficient associated with *autocracy dummy* would indicate that WB privileges countries with a "non-favorable" institutional framework. Moreover, the *duration* variable (years during which the current regime is sustained) is also obtained from *Polity IV* database: we consider its interactions with other political regime dummies to control for the current regime consolidation and changes prospects as motivations for disbursement decisions.

In the estimations, *investment participation* and *government expenditure participation* are also taken into account, represented in equations (1) and (2) by vector X_{it}, associated to coefficients β_5 and α_5. The first variable is the proportion of GDP that corresponds to investments and it is used to control for the fact that the WB disbursed amount to a country may be influenced by this country's ability to invest with its own resources, so the variable is a *proxy* for this capability. It is plausible to expect that the WB should disburse larger amounts for countries with lower capability of auto-investing.

The second variable is a proportion of GDP that corresponds to government expenditure. As outlined previously, international organizations have been involved with the idea that directing resources is not enough for development: inefficiencies in resources allocations by governments should also be reformed and reduced (ABRUCIO; LOUREIRO, 2004). The variable controls for the participation of government in the economy and, the larger it is, the more chances it has for influencing its efficiency.

It must be highlighted that the ideal would be for other controls to be incorporated in the estimations. However, there are no historical series for all countries in the years taken into account that may allow such conclusions. Facing this obstacle, the fixed effects consideration (u_i) in the estimations induces the control of variables not observed as constant in time (or which vary little), but which are different among countries, thus guaranteeing larger robustness to the results. In order to test results robustness, taking into account the potential collinearity among explanatory variables, estimations will be made on models based on equations (1) and (2) with alternative specifications, with sub-groups of the explanatory variables considered.

Additionally, it is important to point out that the WB disbursements regression as a function of the explanatory variables in the same (current) year, that is, *d_WB* in *t* as a function of *per capita GDP, Population* and *Gini* and other variables in *t* may have an

endogeneity problem: WB disbursements might be influenced by explanatory variables, but they may also be influenced by disbursements, which would compromise the causality attribution to the results. Besides, the bank's disbursements may be decided during the period of a year, while GDP (and other variables) are calculated after that same year's end. Hence, we can affirm that the WB does not decide on disbursements based on an assessment of variables in the current year, but in a retrospective manner, observing countries' 'lagged' characteristics, measured, for example, in the previous year. Stemming from this pre-assumption and aiming at dealing with the potential problem of endogeneity, additional estimations are made, represented by equations (3) and (4), in which disbursements in t (d_WB_{it}) are regressed as function of explanatory variables measured in the previous year: in $t-1$. For example, disbursements in 2010 would be determined by variables in 2009.

$$d\_WB_{it} = \beta_0 + \beta_1 GDP\ per\ capita_{it-1} + \beta_2 Gini_{it-1} + \beta_3 Population_{it-1} + \beta_4 I_{it-1} + \beta_5 X_{it-1} + u_i + \varepsilon_{it} \tag{3}$$

$$d\_WB_{it} = \alpha_0 + \alpha_1 GDP_{it-1} + \alpha_2 Gini_{it-1} + \alpha_3 Population_{it-1} + \alpha_4 I_{it-1} + \alpha_5 X_{it-1} + u_i + \varepsilon_{it} \tag{4}$$

Once the estimation strategies have been outlined, Table 1 show results obtained for the specifications that utilize interest variable *per capita GDP* instead of *GDP* or no other. One may infer that coefficients associated with *per capita GDP* in the current year are positive and significant at 10% in all specifications in which it is considered. In specification V, which considers the variable in the previous year ('lagged') in order to deal with endogeneity and with the possibility of the WB deciding retroactively, the coefficient associated to the variable is also positive and significant at 10%.

Hence, relatively robust evidences refute the hypothesis that adherence in WB's resources distribution to LAC countries' social condition, which allows us to conclude that the adopted criterion of disbursements distribution is incompatible with what is expected from a development bank that preaches the fight against poverty, *with average disbursements being larger in countries with higher income levels*. This means that resources are not preferentially directed to countries that are in graver need. Project economic feasibility can be the main motivation, rather than social aspects. This idea is reinforced by the lack of significance for coefficients associated with the remaining explanatory variables, which indicate the inexistence of motivations both regarding institutions and referring to GDP composition in the disbursements distribution. The non-significance of the *Gini* coefficient is another strong evidence that distribution does not have social traces.

Table 1 – Econometric Tests Results: explanatory variable *per capita GDP*

Variables / Specification	Current Year					Lagged
	I	II	III	IV	V	VI
GDP *per capita*	0,190[b]	0,143[b]			0,189[b]	0,204[b]
	(0,088)	(0,063)			(0,088)	(0,085)
Population	3,654	3,664			3,682	4,477
	(2,282)	(3,067)			(2,267)	(3,489)
Gini	-11,838	-11,447			-11,810	-22,015
	(35,637)	(29,505)			(35,333)	(36,422)
Democracy	489,868		294,963		557,354	387,106
	(581,498)		(369,658)		(473,809)	(429,779)
Autocracy	574,451		443,774		722,582	180,393
	(1983,819)		(847,990)		(877,554)	(2366,752)
Duration	-11,196		7,221		-3,813	-5,065
	(41,430)		(30,795)		(20,894)	(23,042)
Democracy*Duration	8,399		9,111			
	(41,527)		(31,729)			
Autocracy*Duration	15,618		-9,367			
	(147,445)		(46,953)			
Investment Participation	-17,021			5,596	-17,864	-37,842
	(37,834)			(13,390)	(37,322)	(36,985)
Government Expenditure Participation	-0,511			-6,374	0,192	-4,455
	(46,729)			(23,475)	(46,437)	(47,920)
Constant	Yes	Yes	Yes	Yes	Yes	Yes
R^2 (overall)	0,093	0,093	0,003	0,007	0,092	0,094
Prob > F	0,000	0,000	0,000	0,000	0,000	0,000
Observations	363	410	546	754	363	349
Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes

Note: robust standard errors are in parentheses. [a] Statistically different from zero at the .01 level. [b] Statistically different from zero at the .05 level. [c] Statistically different from zero at the .1 level.

Table 2, on its turn, shows results of estimations that employed *GDP* as alternative interest variable – rather than *per capita GDP*. It is noteworthy, yet again, that both variables have not been used in the same estimations because they are collinear, specially when coupled with *Population*. Furthermore, it is possible to test the adherence in relation to two aspects. Per capita GDP would show a preference, by the WB, for countries with higher or lower poverty levels (or average income), which has been observed in the tests, as it is clear in comments on results from Table 1. Total GDP, on its turn, would capture a preference, by the WB, for larger economies, which has also been observed in the tests whose results are shown in Table 2. Coefficients of *GDP* variable are positive and significant at the 5% level in all specifications, including in X, which considers the variable measured in the previous year ('lagged') to deal with probable endogeneity and retroactivity of WB decisions.

Table 2 – Econometric Tests Results: explanatory variable *GDP*

Variables/ Specifications	Current year			Lagged
	VII	VIII	IX	X
GDP	0,005[a]	0,005[a]	0,005[a]	0,005[a]
	(0,001)	(0,001)	(0,001)	(0,001)
Population	-7,171[b]	-6,852[b]	-7,002[b]	-3,809
	(3,387)	(3,058)	(3,360)	(3,534)
Gini	-5,711	-6,980	-5,097	-13,741
	(34,199)	(28,375)	(33,835)	(34,932)
Democracy	-68,877		93,958	184,190
	(588,209)		(479,862)	(433,460)
Autocracy	-70,393		34,075	40,380
	(1956,065)		(870,814)	(2345,245)
Duration	-17,766		-0,835	-1,172
	(40,123)		(19,042)	(20,923)
Democracy*Duration	19,668			
	(40,877)			
Autocracy*Duration	16,501			
	(144,360)			
Investments Participation	-16,822		-18,953	-25,916
	(34,600)		(34,201)	(33,347)
Government Expenditure Participation	-9,690		-8,273	-6,480
	(45,694)		(45,424)	(47,103)
Constant	Yes	Yes	Yes	Yes
R^2 (overall)	0,111	0,116	0,115	0,177
Prob > F	0,000	0,000	0,000	0,000
Observations	363	410	363	349
Fixed Effects	Yes	Yes	Yes	Yes

Note: robust standard errors are in parentheses. [a] Statistically different from zero at the .01 level. [b] Statistically different from zero at the .05 level. [c] Statistically different from zero at the .1 level.

Results found for other variables in estimations in Table 2 also guarantee more evidences favorable to this argument. Coefficients associated to *Population* variable are negative and significant at the 10% level, except for specification X, in which it is considered lagged (keeping the negative sign)[10]. The negative coefficient associated to this variable may signal the absence of WB's preoccupation with potential socio-economic impacts of its disbursements, which tend to be more elevated in more populous countries. However, it may also indicate the absence of an 'economic' preoccupation of supporting projects that are economically feasible, considering that more populous countries tend to have, in large part of its economic sectors, higher revenue generation capability and lower costs (economies of scale). The inexistence of social motivation in disbursement distribution can be reinforced by the non-significance of the coefficient associated to the *Gini* variable in all specifications. Moreover, institutional variables and those related to GDP formation are also not significant,

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[10] In previous estimations, coefficients associated to *Population* variable may not have shown significance because of its probable collinearity to *per capita GDP*.

which suggests the absence of other motivations in financing disbursement distribution by the WB.

4. Disbursements distribution by major sectors

Having defined the study's second goal as the understanding on areas in which the World Bank has concentrated its disbursements in Latin America and the Caribbean, the way the Bank classifies its loans and grants must be explained. Each of the WB's projects is classified according to a series of parameters, in a constantly updated table, available on its official website[11]. Amongst the categorized items, the ones to be used as basis in the present analysis are: Country; Approval Date; Project Total Cost (disbursement); Major-Sectors; Percentage of total amount directed to each Major Sector within the project.

Each of the WB's DA disbursements is classified in two macro dimensions[12]: Major Themes and Major Sectors. This classification started in 2001[13] and, before this date, all projects used to be sorted by 'Sectors' only. Hence, the projects have been retroactively re-assorted. This poses a methodological challenge, discussed by the WB itself on its webpage about projects classification: "when the [classification] list is revised, reclassification is never completely retrospective"[14]. This means that the reclassification of projects may be mistaken or incomplete. We do believe, however, that the data loss is residual: only 5,06% of the analyzed period in table available at the Bank's webpage are still classified in Sectors, which means our analytical material is 94,94% up-to-date with the new classification.

While Major Themes are wide vectors of classification that include, for instance, categories such as "Human Development" or "Rule of Law" – in line with UN's Millennium Goals –, Major Sectors are more specific, clearly verifiable in the economic reality of a country. According to WB's classification, there are ten Major Sectors, identified by conventionalized acronyms as follows: Agriculture, fishing and forestry (AX); Public Administration, law and justice (BX); Information and Communications (CX); Education (EX); Finance (FX); Health and other social services (JX); Energy and Mining (LX); Transportation (TX); Water, sanitation and flood protection (WX); Industry and Trade (YX).

In order to have a clear understanding on what a Major sector is, let us briefly analyze the Sectors each Major Sector encompasses. This should shed light on the coming analysis. According to WB (2001), Sectors are

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[11] http://web.worldbank.org/external/default/main?menuPK=258583&pagePK=146740&piPK=512758&theSitePK=258554
[12] http://siteresources.worldbank.org/PROJECTS/Resources/Sectors.pdf
[13] http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,contentMDK:20061207~pagePK:41367~piPK:51533~theSitePK:40941,00.html
[14] http://data.worldbank.org/about/country-classifications/country-and-lending-groups

high-level groupings of economic activities based on the types of goods or services produced; UN classification of economic sectors used as point of reference; mutually exclusive; used to indicate which part of the economy is supported by the Bank intervention (WB, 2001, p. 1).

While the AX Major Sector encompasses sectors as (i) agricultural extension and research, (ii) animal production, (iii) crops, (iv) forestry, (v) irrigation and drainage; the BX Major Sector encompasses (i) central government administration, (ii) compulsory pension and unemployment insurance, (iii) law and justice, (iv) sub-national government administration. The CX Major Sector encompasses (i) information technology, (ii) media, (iii) postal services, (iv) telecommunications. The EX Major Sector encompasses (i) adult literacy/non-formal education, (ii) pre-primary education, (iii) primary education, (iv) secondary education, (v) tertiary education, (vi) vocational training. The FX Major Sector encompasses (i) banking, (ii) capital markets, (iii) housing finance and real state markets, (iv) non-compulsory pensions, insurance and contractual savings, (v) micro and SME-finance, (vi) payment systems, securities clearance and settlement and (vii) general finance sector. The JX Major Sector encompasses (i) health and (ii) other social services. The YX Major Sector encompasses (i) agricultural marketing and trade, (ii) agro-industry, (iii) housing construction, (iv) other domestic and international trade, (v) other industry and (vi) petrochemicals and fertilizers. The LX Major Sector encompasses (i) district heating and energy efficiency services, (ii) mining and other extractive, (iii) oil and gas, (iv) power and (v) renewable energy. The TX Major Sector encompasses (i) aviation, (ii) ports, waterways and shipping (iii) railways and (iv) roads and highways. The WX Major Sector encompasses (i) flood protection, (ii) sanitation, (iii) sewerage, (iv) solid waste management and (v) water supply.

In the WB's projects table, each project can be classified in up to 5 Major Sectors, connected, in their turn, to 1 Sector each (this means one project's disbursement amount may be divided into 1, 2, 3, 4 or 5 Major Sectors and, thus, 1, 2, 3, 4 or 5 Sectors). The same rationale is used in the classification with Major Themes. However, bearing in mind the more practical, sectoral character of Major Sectors, we have decided to abstain from analyzing Major Themes. Besides, the Major Sectors are more commonly used by the current literature on the World Bank (see Pereira, 2010) than the Major Themes. Once we would be dealing with a total amount of 11 Major Themes, 66 Themes, 10 Major Sectors and 57 Sectors (if all classifying vectors were to be taken into consideration), we have decided to reduce this analytical spectrum to only 10 variables (besides countries, of course): only the ten aforementioned Major Sectors. Therefore, values relative to each Sector will be considered as the value disbursed for the Major Sector, our main analytical basis.

The complexity of projects classification is directly proportional to the organizational-methodological challenge present in a research whose objective is to frame and scrutinize the vast projects spectrum proposed by the WB. And it is precisely this extreme complexity that imposes the necessity of choice and the definition of a methodological approach that is simple without losing its substance, whereas complex, without being incomprehensible. Having this said, the data hereby used encompasses 1.791 WB projects, classified in 1, 2, 3, 4 or 5 Major Sectors each, along 26 years, in 31 countries.

The reclassification made by the WB in 2001 is also the fundamental reason for the period choice in the present study: regressively, it seems to substantially and safely span projects only until the mid-1980s. Before that time, most of the projects are still classified in Sectors only. This is why we have decided to look upon the period comprised between the years of 1985 and 2010.

To make the analysis clear and more comprehensive, we have decided to split this period in 5 sub periods: 1985-1989, 1990-1994, 1995-1999, 2000-2004 and 2005-2010. Following Pereira's (2010) work on the subject, this cleavage choice is arbitrary and does not seem to follow any changes neither in the economic reality of the region nor in the WB's own institutional framework. However, it offers a clear glimpse, as follows, on the steep changes in projects' distribution without clear reasons: the quinquennial hinge offers, at least, some reference to locate happenings and changes in the political and economic international scenario. Moreover, in order to make data visualization clearer, we have adapted a classification adopted by some public finance works, namely the function expenses (Oxley; Martin, 1991; Saunders, 1993): social policies (merit goods); infrastructure (economic services); economic sectors e public administration and state (pure goods).

By analyzing Table 4's first quinquennium (1985-1990), one may infer that projects in the region in the period were concentrated in the 'Agriculture, Fishing and Forestry' Major Sector, whose amount was 12% superior to the second and third on the list, as the table shows. It is interesting to notice how little importance was given in the period for 'Public Administration, Law and Justice', which will change radically in the subsequent periods.

Moving to the next quinquennium (1990-1994), the soaring positive variation (2471%) in projects distribution in the 'Public Administration, Law and Justice' Major Sector is flagrant. Agriculture, which had 30% of all projects in the previous period had a negative variation of 41% in terms of amount disbursed, giving space for other growing Major Sectors, like 'Information and Communications' (391%), 'Education' (303%), 'Water and Sanitation' (117%), 'Health and other social services' (115%), 'Energy and Mining' (107%) and

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'Industry and Trade' (80%). Interestingly, the total amount disbursed in this period had a positive variation of 92% (Table 3).

As Tables 3 and 4 show, once again, in the third quinquennium (1995-1999), there is a prevalence of 'Public Administration, Law and Justice' as a priority in WB's disbursements in the period between 1995 and 1999, still with a large share of total (29%) and a positive variation in amount of money disbursed of 9%. In second place, 'Finance' had a positive variation of 95%. 'Health and other Social Services' Major Sector has a remarkable positive variation of 193%.

It is also interesting to notice how 'Education', 'Water and Sanitation' 'Agriculture, Fishing and Forestry', 'Industry and trade', 'Energy and Mining' and 'Information and Communication' have had expressive negative variations, -24%, -44%, -55%, -41%, -65%, -79% in relation to the previous quinquennium. The total amount disbursed for the region, however, had little variation (+0,6%).

'Public Administration, Law and Justice' still seems to be a key Major Sector for the WB in the period comprised between 2000 and 2004, despite a loss of 3% in the amount disbursed in comparison to the period 1995-1999. The Major Sector keeps a share of 35% of total disbursements in the period, growing in numbers, we may infer, because of the loss of other Major Sectors.

The same happens to the 'Health and other Social Services' Major Sector, which, despite the negative variation of 54%, reached second position, surpassing 'Finance', with a share of 20% of total disbursements. Despite having a had a soaring positive variation of 249%, 'Information and Communication' still keeps the last place in the list, with a 1% share of total, showing, alongside with 'Industry and Trade' and 'Finance' positive variations in relation to the previous quinquennium. All other have had negative variations that reach from -3% to -54%, as well as the total disbursed amount for the region (-20%).

Finally, the 2005-2010 quinquennium shows the prevalence of 'Public Administration, Law and Justice' as a priority of disbursements of WB in LAC. Despite the positive variation in the amount defined for this Major Sector (+37%), in comparison to the previous period, its share of total has decreased from 35% to 22%.

The positive variation of all other Major Sectors is remarkable, +4% (Information and Communications), +26% (Finance), +59% (Education), +126% (Health and Other Social Services), +191% (Industry and Trade), +274% (Agriculture, Fishing and Forestry), +333% (Transport), +369% (Energy and Mining), +535% (Water and Sanitation). This encompasses,

it seems, a full boost in WB projects in this period, with a total positive variation of +119% in the region.

Table 4 ending columns summarize total disbursed amounts and share in total disbursements for each of the Major Sectors. It is interesting to notice that the 'Public Administration, Law and Justice Major Sector' has been the main focus of disbursements in the region in the period, in terms of total amount (almost 33 billion dollars), total share (almost a quarter of all disbursements) and of total variation (the accumulated growth of investment in this Major Sector sums up to 25 times, while the second in growth – 'Information and Communication' – considering its almost irrelevant participation in total share, grew no more than 5.6 times). This is the clearest trend perceived from data analysis on disbursements sectorial distribution. Finally, in relation to the ´Public Administration, Law and Justice´ Major Sector may point out to an aspect discussed in section 3: the fact that international organizations, such as the WB, should not focus its disbursements only on pure investment, but also on institutional reforms that can lower governments inefficiency (Schneider and Doner, 2000; Abrucio; Loureiro, 2004).

Table 3 – Total WB Disbursements variation (%) in relation to the previous quinquennium, in LAC, by Major Sector, between 1985 and 2010

Major Sector	1985-1989 to 1990-1994	1990-1994 to1995-1999	1995-1999 to 2000-2004	2000-2004 to 2005-2010	1985-1989 to 2005-2010
Social Policies (merit goods)	**163,6**	**16,2**	**-5,8**	**249,0**	**618,7**
Education	302,7	-24,1	2,6	159,5	400,1
Water and Sanitation	108,2	-41,5	-45,8	634,6	318,3
Health and Other Social Services	115,2	193,2	3,5	225,7	1.373,7
Infrastructure (economic services)	**80,9**	**-25,5**	**-47,2**	**416,7**	**196,4**
Energy and Mining	107,3	-64,8	-33,4	469,4	128,1
Transportation	62,4	0,7	-54,0	432,8	225,7
Information and Communication	391,0	-78,8	248,7	103,6	276,1
Economic Sectors	**-15,1**	**4,1**	**-33,1**	**197,2**	**16,6**
Agriculture, Fishing and Forestry	-41,4	-55,0	-33,9	373,5	-34,9
Industry and Trade	80,1	-41,3	-9,9	291,3	177,1
Finance	-2,8	95,5	-37,4	126,0	49,8
Public Administration and State (pure goods)	**2.471,2**	**8,9**	**-3,0**	**136,8**	**3.612,6**
Public Administration, Law and Justice	2.471,2	8,9	-3,0	136,8	3.612,6
Total	**91,4**	**1,0**	**-19,3**	**219,4**	**242,3**

Source: Calculations made by the authors, based on WB's Projects Database for LAC.

Table 4 – Total WB Disbursements, in LAC, by Major Sector, between 1985 and 2010 (in millions of US$)

Major Sector	1985-1989		1990-1994		1995-1999		2000-2004		2005-2010		1985-2010	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Social Policy (merit goods)	**2.438,09**	**17,8**	**6.427,51**	**24,5**	**7.471,83**	**28,0**	**7.038,40**	**32,8**	**17.522,76**	**37,2**	**40.898,59**	**30,3**
Education	671,65	4,9	2.704,76	10,3	2.052,70	7,7	2.106,36	9,8	3.358,74	7,1	10.894,21	8,1
Water and Sanitation	1.124,49	8,2	2.341,27	8,9	1.368,48	5,1	741,14	3,5	4.703,45	10,0	10.278,83	7,6
Health and Other Social Services	641,95	4,7	1.381,48	5,3	4.050,65	15,2	4.190,90	19,5	9.460,57	20,1	19.725,55	14,6
Infrastructure (economic services)	**3.601,17**	**26,3**	**6.514,36**	**24,8**	**4.854,88**	**18,2**	**2.561,28**	**12,0**	**10.672,08**	**22,7**	**28.203,77**	**20,8**
Energy and Mining	1.109,15	8,1	2.299,45	8,7	809,40	3,0	539,02	2,5	2.530,30	5,4	7.287,32	5,4
Transportation	2.440,87	17,8	3.963,76	15,1	3.992,23	15,0	1.836,60	8,6	7.949,40	16,9	20.182,86	14,9
Information and Communication	51,15	0,4	251,15	1,0	53,25	0,2	185,66	0,9	192,38	0,4	733,59	0,5
Economic Sectors	**7.429,60**	**54,0**	**6.308,07**	**24,0**	**6.567,76**	**24,6**	**4.393,13**	**20,5**	**8.662,81**	**18,5**	**33.361,37**	**24,7**
Agriculture, Fishing and Forestry	4.178,22	30,4	2.449,91	9,3	1.101,37	4,1	727,96	3,4	2.719,17	5,8	11.176,63	8,3
Industry and Trade	842,45	6,1	1.516,88	5,8	889,67	3,3	801,30	3,7	2.334,20	5,0	6.384,50	4,7
Finance	2.408,93	17,5	2.341,28	8,9	4.576,72	17,2	2.863,87	13,4	3.609,44	7,7	15.800,24	11,7
Public Administration and State (pure goods)	**274,44**	**2,0**	**7.056,36**	**26,8**	**7.684,47**	**28,9**	**7.450,45**	**34,7**	**10.188,81**	**21,7**	**32.654,53**	**24,2**
Public Administration, Law and Justice	274,44	2,0	7.056,36	26,8	7.684,47	28,9	7.450,45	34,7	10.188,81	21,7	32.654,53	24,2
Total	**13.743,30**	**100,0**	**26.306,30**	**100,0**	**26.578,94**	**100,0**	**21.443,26**	**100,0**	**47.046,46**	**100,0**	**135.118,26**	**100,0**

Fonte: Calculations made by the authors, based on WB's Projects Database for LAC.

6. Final remarks

The analysis on WB disbursements distribution among Latin America and the Caribbean countries and among economic sectors (Major Sectors) between 1985 and 2010, has attested that (i) there is no adherence between financing distribution and socio-economic conditions of recipient countries and that (ii) sectoral distribution suggests that there is adherence – under what the WB understands as fighting poverty: supporting financing initiatives in Public Administration, Justice and Law, which have concentrated an average of 25% of resources between 1985-2010, an almost identical percentage to that disbursed to pure social policies (merit goods).

This paper proposes the concept of adherence, which aimed at serving as an analytical landmark: adherence is, precisely, the approximation between countries' real needs and the Bank's real actions; its identification would mean that, in LAC, in the analyzed period, WB has truly played its role in alleviating poverty by looking for those in graver need. Adherence might have been confirmed if higher disbursements amounts had been offered to countries with relative lower economic and social standards.

Data show, however, that disbursements distribution is incompatible with what is expected from a development bank that preaches the fight against poverty: in the period analyzed, *average disbursements have been larger in countries with higher income levels*. This means that resources are not preferentially directed to countries that are in graver need. Quite the opposite, countries with higher income levels have been awarded relatively larger amounts of disbursement. Moreover, neither political regimes nor GDP composition seem to play a role as a distribution criterion.

One may wonder that project economic feasibility may be the main criterion, rather than social aspects. This idea is reinforced by the lack of significance for coefficients associated with the remaining explanatory variables, which indicate the inexistence of motivations regarding institutions and referring to GDP composition in the disbursements distribution. The non-significance of the *Gini* coefficient is another strong evidence that distribution does not have social traces.

The sectorial resources distribution analysis also hinders any conclusion in favour of adherence between WB´s disbursements distribution and country income profiles. The only observable trend is a major concentration of disbursements directed to the 'Public Administration, Law and Justice', that have been prioritized over Education and Health, for example. Besides this, no other clear trends are identifiable, once expressive oscillations are

observed from quinquennium to quinquennium, as shown in Tables 3 and 4, without any clear reason.

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