



# World Bank Group Archives Exhibit Series

The Woods Presidency

NUMBER 023  
ORIGINALLY PUBLISHED: MAY 2003

January 2016





The World Bank Group Archives Exhibit Series contains exhibits originally published on the Archives' external website beginning in 2002. When the Archives' website was transferred to a new platform in 2015, it was decided that older exhibits would be converted to pdf format and made available as a series on the World Bank's external database, [Documents & Reports](#).

These exhibits, authored by World Bank archivists, highlight key events, personalities, and publications in the history of the World Bank. They also bring attention to some of the more fascinating archival records contained in the Archives' holdings.

To view current exhibits, visit the [Exhibits](#) page on the Archives' website.



## The Woods Presidency

---

George D. Woods was President of the World Bank from January 1, 1963, to March 31, 1968. Under Woods, Bank activities went in significant new directions. This article is excerpted from "The Coming of Age" by Roger Chaufournier in the June 1984 issue of *Finance and Development*. Chaufournier joined the Bank in 1952 and retired in 1984 as Vice President of the Europe, Middle East and North Africa Regions (EMENA). He had previously worked in the Western Hemisphere Department (including a term as Resident Representative in Peru), and in the West Africa Region.



*George D. Woods President of the World Bank*

By the early 1960s, Bank procedures and policies were viewed by some on the outside as old fashioned – "antediluvian" in the words of a major borrower – and the Bank was increasingly criticized as being too conservative. When George Woods arrived at the Bank, he found the institution ready to catch its second wind. The outside



*Roger Chaufournier, the author and former Vice President of the Europe, Middle East and North Africa Regions (EMENA)*

environment provided the opportunity. As soon as President John F. Kennedy took office, he launched the Alliance for Progress. There was a new spirit in Washington and renewed enthusiasm for development aid. At no time since the Marshall Plan were there such a community of interests and favorable environment for international cooperation. The idea of a compact with borrowers undertaking to reorder their economies and donors pledging increased support became a new challenge. I was privileged to be a witness at the launching of the Alliance in Punta del Este in 1961. Che Guevara was there, representing Cuba. The forces of change were already on the move. The idea of the Alliance was visionary, and it was as generous as it was ahead of its time. Few countries then were ready to make the necessary adjustments to their economies and one has to wait until the oil shocks and the world inflation of the 1970s for a larger number of countries to initiate



such a process. By then, unfortunately, the support they needed to facilitate this adjustment was on the decline.

The Alliance had an important effect on the Bank. Increased aid in response to economic performance, donor cooperation, and coordination were features of the early 1960s. The Bank's economic work was considerably strengthened and became increasingly policy-oriented. Lawyers had exercised the dominant influence in the Bank in the early years, contributing ideas and concepts; the 1960s became the economists' golden age. An Economic Committee was established on a par with the Loan Committee. Economists were appointed as



*US President John F. Kennedy addresses the 1963 Annual Meetings in Washington, DC. George Woods sits on President Kennedy's immediate left*



*Irving S. Friedman. The Economic Advisor to the President Friedman's appointment reflected the growing influence of economists in the Bank under Woods*

managers in the Projects Departments, to improve the economic methodology and the policy links.

This was also a period of close cooperation with the International Monetary Fund. The lines were sometimes temporarily blurred, with the recognition that stabilization of any economy, in order to endure, had to be based on medium-term adjustment and a resumption of longer-term growth. In Argentina, the Bank negotiated exchange rate adjustments while the Fund concerned itself with the rehabilitation of the railways as a condition for its financial assistance.

Cooperation between the Bank, the Fund, and bilateral aid agencies was particularly close when Colombia's borrowing needs were approached in a comprehensive manner based on a medium-term investment plan.



The economic dialogue that followed provided the context in which subsequent Bank operations developed. It covered several of the features which are found today [1984] in the more comprehensive approach of current structural adjustment loans.

In January 1963 the first Consultative Group meeting organized by the Bank was held for Colombia. Burke Knapp, then the Bank's Vice President, chaired the opening meeting. The Fund was represented by Per Jacobsson, its Managing Director.

The Colombian case and the aid program for Chile represented successful approaches to consultation between donors and recipient countries. At the same time, there were hushed references in the corridors of the Bank about other instances where the use of lending to influence policy had cooled relations between the Bank and some of its major members.

Under George Woods, the Bank evolved from a development institution toward a full-service development institution. One of his major contributions was to push the Bank into new lending for agriculture and education. Until then, lending for agriculture had been confined to brick and mortar, to infrastructure projects like dams, and to financial institutions as a channel for financial credits. Still, despite George Woods' efforts and until the arrival of Robert McNamara, lending for agriculture remained of the traditional type, predominantly plantation or commercial agriculture, largely influenced by the experience of former colonial agricultural officers who constituted a large proportion of the Bank's agricultural staff. By the time I came to the Bank's West Africa Regional Office in 1968, the Bank had financed only one agricultural project in the 24 countries of the region.



*Sierra Leone joins the World Bank September 10, 1962. One of the many African countries joining the Bank in the early 1960s*

Cooperation with other UN agencies developed rapidly under George Woods. Consultative Groups for coordinating aid efforts were established for a number of countries. Many African countries that had recently become independent joined the Bank in the early 1960s, and aid began to be



reoriented toward the poorest. Market rates of interest at a premium over Bank lending rates were introduced for a short while, to push higher-income countries to the capital market. This led to the voluntary graduation of some countries like Norway. The Young Professional Program was established in 1963 to recruit staff straight from universities or early in their careers to broaden international recruitment and strengthen the institution through greater cultural diversity.

To those who knew him well, George Woods was an inspiring force. He had vision and his instincts were sure; he knew the complexity and the many dimensions of development. I remember him asking about the progress of the El Chocon Project in Argentina. When I told him that the rate of return was still hovering around 6 percent, he replied that only small people thought exclusively in terms of rate of return. He knew that the rate of return was only discipline and that there were other dimensions that affected development. He was a precursor of important things to come, and he opened the door for the expansion of our activities in the social sector.

*Signing of the first loan agreement for the first loan to Senegal. President Woods (left) and Mr. Knapp (right) are joined by His Excellency Habib Thiam, Minister of Planning and Development of Senegal, and Mr. Mohamed Nassim Kochman, Executive Director of IDA for Senegal, 1966*

vision and his instincts were sure; he knew the complexity and the many dimensions of development. I remember him asking about the progress of the El Chocon Project in Argentina. When I told him that the rate of return was still hovering around 6 percent, he replied that only small people thought exclusively in terms of rate of return. He



*The first group of Young Professionals, standing, standing, Left to right: Andre Gue, Wilfried Thalwitz, Richard Van Wagenen, Special Assistant for Training, Geoffrey M. Wilson, Vice President, George Woods, President, Christopher Willoughby, Antonio Faccini, Murugappa Madhavan, Christian Monsod. Seated, left to right: Eugenio Lari, Bilsel Alisbah, Garbiele Sciolli, John Malone, Michel Cujot*



Although George Woods never struck a good rapport with our African members, by pushing lending for agriculture and education, by pressing hard for a larger replenishment of IDA, by establishing the first regional resident mission in Africa, and by commissioning two important studies on that region, he did more for the



*First meeting of the Pearson Commission. Left to right: Roberto de Oliveira Campos (Brazil), Douglas Dillon (United States), Saburo Okita (Japan), Sir W. Arthur Lewis (St. Lucia), Rt. Hon. Lester B. Pearson (Canada), Rt. Hon. Sir Edward Boyle (U.K.), Robert Ernest Marjolin (France), and Wilfried Guth (Germany)*

poorest countries, and particularly for Africa, than anyone in the Bank had done before. George Woods, through the force of his personality had reinforced the presidential character of the institution. Like his predecessor, Eugene Black, he was aided by a group of Executive Directors of considerable stature, many of them having occupied the most senior financial posts in their own countries, and by a group of very able senior administrators.

Perhaps as remarkable during these early years was the ability of the institution to attract staff with a high degree of expertise, experience, and commitment who established very early the reputation of high professionalism which the Bank has enjoyed ever since. Burke Knapp, as Vice President and Chairman of the Loan Committee under three Presidents, provided firmness, continuity, and predictability to the direction of our operations as well as motivation and trust, sometimes under trying circumstances; he invited me to join the Bank in 1952 and as my mentor for so many years I cannot fail to express the debt of gratitude we have toward him.

By the mid-1960s, the U.S. role as a leader of development aid was rapidly fading. George Woods sensed the need for mobilizing greater support for our institutions. He commissioned a review of the criteria for IDA lending and, more important, launched the idea of a "grand assize," an international commission of influential opinion-makers under the chairmanship of Lester Pearson, former Prime Minister of Canada. The IDA review and the establishment of the Pearson Commission were not completed under George Woods. However, the stage was set for a further deepening of our understanding of the process of development,



for our preoccupation with absolute poverty and social justice, for the strong and enlightened leadership, and for the frenetic activity that characterized the presidency of Robert McNamara.