the Bank's World

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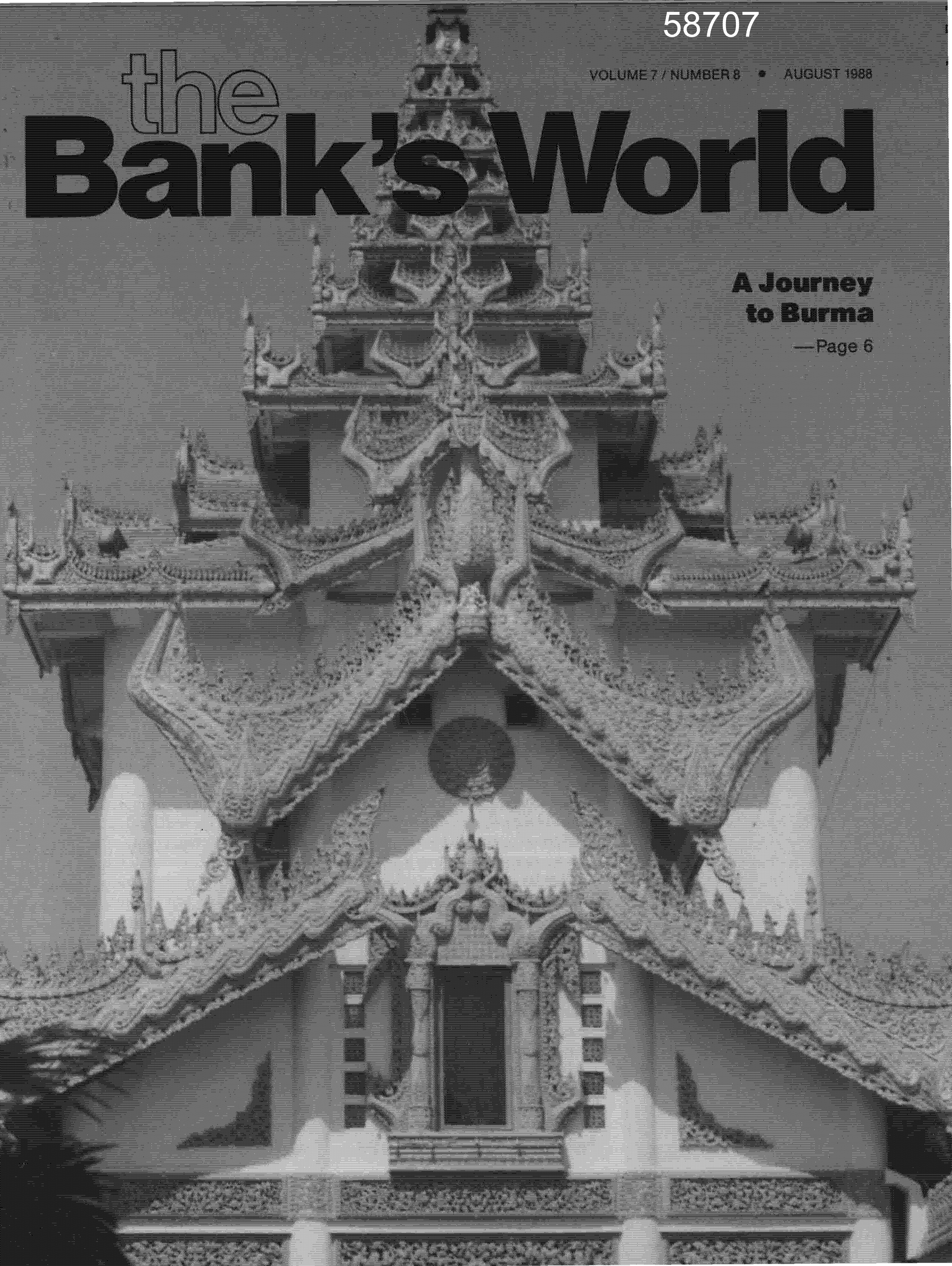

A Journey to Burma

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COVER: The Karawek restaurant in Rangoon, Burma.

Photo by Prabhakar Tamboli

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Thierry Sagnier, Editor
Jill Roessner, Associate Editor
Morallina George, Editorial Assistant
Bill Fraser, Designer

An Interview with Barber Conable

The Bank's Budget

On June 28, the Executive Directors approved the IFC Budget and on June 30, following a full day of discussions, the Board of Directors approved the Financial and Operating Programs and FY89 Budgets for IBRD/IDA. Against this background, The Bank's World *asked the President to respond to a few of the most commonly asked questions about the Bank Group's budgets.*

Q: Do you share the perception, common among staff, that the budget is too tight?

A: It's tight, but not excessively so. It would be better to say it's an appropriate budget. Resource constraints are a fact of life everywhere, and we cannot be immune to them. The FY88 budget was $48 million below the trend line of the previous 10 years. A break with the past was needed to sustain broad-based support for the institution and its mandate. A more efficient, more responsive Bank was the purpose of the reorganization, and this was reflected in the FY88 budget construction. But, beyond this, the Bank's administrative expenses are paid for out of the interest we charge our developing country clients—so we all have a responsibility to stretch the budget dollar as far as reasonably possible.

Q: But is this year's budget realistic, in view of the challenges that lie ahead?

A: I believe it is. First, the organization is now working closer to capacity. Second, the budget for FY89 is $786 million. This is not a small sum. It is a growth budget: 2 percent more in real terms (and 5.4 percent in nominal terms) than for the previous fiscal year. Frankly, I reached the conclusion that we needed additional budget resources after carefully examining scenarios under a flat budget—which I rejected. A flat budget wouldn't have enabled the Bank to live up to the expectations of its members. What we have now is a tight but realistic budget.

Q: What are these expectations? How do you see the Bank evolving in the years ahead?

A: There is no doubt at all about our mandate. We must strengthen, expand and nurture our core services: lending, supervision, borrowing and investments. With the refinancing of IDA accomplished and the recapitalization of the Bank approved, we must get on with the urgent business of development assistance and poverty alleviation. Our base planning assumptions provide for IBRD/IDA/IFC commitments in FY89 to reach $23 billion. The quality and direction of this assistance is as important as its volume. For this reason, assistance strategies must be tailored to the requirements and performance of each country and must involve the coordinated use of all available instruments and services.

Q: Is it simply a matter of doing more of the same, or will the Bank have to do some things differently?

A: The global environment is more demanding, and the needs and circumstances of developing countries are more complex and differentiated. This has implications for our work programs. First, financial markets have become more sophisticated and turbulent—which is why I gave high priority to the strengthening of investment operations under the FY89 budget: funding for systems and staff was needed to keep the Bank at the cutting edge of market developments. Second, in order to meet the needs of developing countries, we must increasingly build frameworks for concerted action, whether in the heavily indebted middle-income countries, in Sub-Saharan Africa, or in our other member countries. Our preoccupation with countrywide development

'While I am encouraged with progress over the past twelve months, I, too, feel frustration with the planning and budget systems which have gradually evolved over the years.'

and adjustment programs and with policy reform must continue, and we need increasingly to wholesale our assistance efforts and seek complementary support for sustainable economic recovery, adjustment and poverty alleviation programs. This is where our comparative advantage lies. In this sense—and while continuing to strengthen the quality investment project vehicle which is the foundation of our work—we must do things differently.

Q: Are there specific provisions in the budget for such programs?

A: A special effort was made to make the budget document more transparent than in the past and to make explicit the choices underlying the programs. In particular, the budget document illustrates the allocation of expenditures by service category: for example, technical assistance and aid coordination services are slated to grow by 2.4 percent, reflecting the increased emphasis on the catalytic role of the Bank. And we made sure that the bulk of the 2 percent increment would be explicitly assigned to accelerating work on the special operational emphases:

- debt and adjustment;
- poverty alleviation;
- food security;
- human resource development, including women in development;
- environment; and
- private sector development.

Choices had to be made at all levels among services and across units. Priority setting—that is making wise decisions about what to do and what not to do—is an important responsibility of Bank Group managers.

Q: Most staff believe that budget processes are cumbersome and lead to needless tensions at the working level. What underlies these perceptions? How do they fit with the apparent satisfaction you have expressed in response to our questions?

A: Staff perceptions are accurate. While I am encouraged with progress over the past twelve months, I, too, feel frustration with the planning and budget systems which have gradually evolved over the years. We have a long way to go in modernizing our processes. Data systems must be reconstructed to be more useful to managers. We need better communication in objective-setting and work-sharing within and across units and complexes. Redeployment of resources must be handled more effectively in the institutional interest. Incentives are needed to reward efficiency. Managers at all levels should listen to the views of our member countries and staff about ways both to improve the quality of life in the workplace and to enhance the cost effectiveness of our business functions.

Q: What was the Board's reaction to your budget proposals?

A: We had a full day of deliberations. The comments offered and the questions raised were important and worthwhile and will be taken into consideration in the context of the FY90 budget cycle. I was, of course, enormously gratified by the unanimous expression of Board support for the FY89 budget. The Bank is a cooperative institution. The support of all our members is important. ■

Ghana and the Human Face of Adjustment

by Gerry Rice

In 1983 the economy of Ghana, the once-thriving "black star" of Africa, hit rock bottom. The decline was almost symbolized by the drought and bush fires which ravaged the countryside that year, as well as by the forced expulsion of over a million Ghanaians from Nigeria where they had gone years earlier hoping to find a better life. The refugees returning to their homeland discovered that things were much worse than when they had left. There were widespread food shortages, few clean bandages in the hospitals, no sacks for farmers to bag their produce. Lines formed to buy everything from soap to gasoline, and even the miners in the famous gold fields of Ashanti did not have enough matches to set off their underground blasts. Ghana was bankrupt.

The indicators of the country's penury were as startling as any in Sub-Saharan Africa. Between 1970 and 1982, real per capita income fell by one third; the average inflation rate was 44 percent; debt service obligations increased to nearly 50 percent of export earnings; imports fell by a third; and over two million Ghanaians—about a fifth of the population—emigrated.

Tending palm seedlings.

Negatively growing economy

Dr. Joe Abbey, Ghana's High Commissioner to the United Kingdom, recently summarized the situation thus: "During the 1970s Ghana was one of the fastest *negatively* growing economies in the world."

Nor do the macroeconomic indicators tell the whole story. The vast human dimensions of Ghana's economic demise were the worst part. Women and children suffered most. Available data suggest that more than half of all pre-school age children were malnourished; the infant mortality rate, which had fallen to 80 per 1,000 in the mid-1970s, had shot back up to 120 by 1983; and pregnant mothers were receiving less than 85 percent of their calorific needs. United Nations Children's Fund (UNICEF) estimated that at least 50 percent of urban dwellers and 80 percent of the rural population were below the poverty line. Many of the country's teachers and doctors had fled, and schools and clinics were in severe disrepair. As the quality of health care waned, diseases such as yaws and yellow fever, once almost eradicated, began to reappear. This was the human face of economic mismanagement and collapse.

The drastic drop in commodity prices

A fishery in Ghana.

(especially that of cocoa), the oil price hikes, global recession and other external factors played a large part in Ghana's economic downfall. But ill-advised domestic management of the economy was equally to blame.

Nineteen eighty-three was the turning point. Beginning that year, Ghana made a courageous attempt to step back from the economic precipice. The government, supported by the World Bank and IMF, embarked on an Economic Recovery Program. Indeed, Ghana was one of the first countries in Sub-Saharan Africa to implement a so-called program of structural adjustment.

Back on a growth track

The program's first phase, 1983 to 1986, consisted of a set of measures aimed at stabilizing the economy, increasing productivity and getting the country back on a growth track. Over a three-year period the prices farmers received for their cocoa, cotton, corn, rice and other crops were increased to levels that encouraged greater production. A massive realignment of the exchange rate stimulated exports. Import restrictions were simplified and lowered, subsidies were reduced, public sector spending was streamlined, and there was reinvestment in infrastructure decayed by years of neglect. It was a difficult and risky program, but the political commitment underlying it was unmistakable. Head of State Flight-Lieutenant Jerry J. Rawlings has been quoted as saying: "There is a determination by the leadership that this experiment must succeed."

That determination has thus far paid off. Starting in 1984, Ghana has had four straight years of real economic growth, averaging over 5.5 percent a year. The recovery has been led by a revival in agriculture where the increased incentives for farmers greatly boosted production. Main roads, railways and ports have been rehabilitated, and there is an upsurge of economic activity and investment in the mining, fishing and timber industries.

"People in the rural areas now find that they don't have to pay black market prices for kerosene, and farmers can get access to necessary inputs," says Dr. Ayirebi Acquah, Deputy Secretary in the Ministry of Local Government and Rural Development. "In the cities, there is food in the stores, the roads are in better shape than they've been for years and even the phones are working now." D.S. Boateng, Deputy Secretary in the Ministry of Mobilization and Productivity adds that a 30 percent salary increase was awarded to the civil service earlier this year.

Many hurdles remain

Ghana's success has not come easily, and many hurdles remain as it moves to deepen and expand the recovery program. The external situation in terms of debt, resource inflows and commodity prices will have a critical bearing on progress. Moreover, it should not be expected that, after nearly two decades of decline, the economy can be resurrected in a few years.

The most severe problems face the poor, who already were the worst hit during the years of collapse. Officials in the Ghanaian government and at the World Bank believe that sustainable economic growth generating employment and increased budgetary resources for social expenditures are the most effective means of helping the poor over the long term. Certainly, per capita income decline has been halted, and Dr. J.A. Adamafio, Deputy Director of Medical Services in the Ministry of Health, believes that the overall health of the population—in terms of nutrition and resistance to disease—has already begun to improve. But much more remains to be done, particularly to protect the poor against continuing cutbacks in public sector employment and tight spending on social services over the next few years.

Extraordinary meeting

In an effort to do something more immediate for the poor, the Ghanaian government, supported by the Bank, convened an extraordinary meeting of more than 40 international donors—multilaterals, bilaterals and non-governmental organizations (NGOs)—in Geneva on February 16-17, 1988. Ghana asked them to support about 23 poverty-focused operations in a variety of sectors. Ghana called this initiative the "Program of Actions to Mitigate the Social Costs of Adjustment" (PAMSCAD).

In a sense, the title is a misnomer. Dr. Kwesi Botchwey, Secretary for Finance and Economic Planning, argues that "the poverty we are talking about alleviating is not a product of the recovery program. It is inherent in our underdeveloped status." Dr. Abbey adds that PAMSCAD is aimed not at mitigating the costs adjustment, but at "mitigating the costs of not adjusting." Semantics notwithstanding, the donor community liked the PAMSCAD proposal, and it won pledges worth $85 million.

George Cann, head of the Ghanaian secretariat set up to coordinate PAMSCAD activities, describes the program as "an extraordinary inter-sectorial matrix of actions." The planned projects fall into three broad categories:

- About $30 million will be for labor-intensive projects aimed at generating at least *40,000 jobs* over the next two years. Projects include public works, food-for-work schemes, credit facilities for small-scale enterprises and training/redeployment programs.

- Roughly $12 million will go to *community initiative* projects involving several thousand villages in constructing schools, planting trees, digging wells and other badly needed projects. Ghana has a long history of community self-help, and officials believe that PAMSCAD has the potential to build upon and further catalyze this tradition.
- The third major area for funding will be *basic human needs* projects, including 2,000 wells and 6,000 latrines to be provided in 1,500 villages; an essential drugs supply scheme for all 350 rural health clinics and polyclinics in urban areas; a feeding and nutrition education program for 15,000 malnourished children; the administration of peparazine in primary schools for the deworming of children, about 80 percent of whom suffer from intestinal parasites; and provision of basic text and exercise books to support primary education in deprived areas.

Difficult to coordinate

The government and donor institutions caution that PAMSCAD is going to be extremely difficult to coordinate and implement. There are questions about which individual projects particular donors will want to support, about when and in what form disbursements will be made, and about whether local institutions have the capacity to implement the projects. "NGO participation will be a key ingredient in the successful implementation of these projects," says Caio Koch-Weser, Director of the Western Africa Department. NGOs know better than most donors what works at grassroots levels. Their support of and input into PAMSCAD was sought at an early stage.

Do they think it can be successfully implemented? George Foreman, representing Catholic Relief Services, one of the largest international NGOs in Ghana, thinks it can. "From an NGO point of view, we don't foresee a problem," he says. "Sure, it will take time for all the nuts and bolts to fall into place, but provided the donor community comes through with the resources, PAMSCAD will work."

Chairman of the 22-member Ghana Association of local NGOs, Dr. E.D. Laryea, agrees: "Certainly PAMSCAD is an ambitious program. But so long as the donor community and the government support it, we can do it."

A point emphasized by the Bank's Chief of Mission in Ghana, Seung Hong Choi, is that "PAMSCAD should not be seen as separate from the ongoing adjustment program. On the contrary, PAMSCAD is a means of strengthening the recovery effort." Government leaders are already making extensive efforts to publicize the beneficial "human dimensions" of PAMSCAD and, implicitly, of adjustment. They view PAMSCAD as a potentially effective means of alleviating poverty in the short term while helping to convince the public that adjustment is the best way to alleviate poverty in the long term.

"In the final analysis," says Mr. Koch-Weser, "PAMSCAD, or for that matter longer-term targeted programs, are not going to be the principal means of eliminating poverty from Ghana. That will only come with broader and sustained economic growth."

Adjustment is for the people

Within Ghanaian government circles there is consensus on that point. Says P.V. Obeng, Ghana's Prime Minister: "We believe that adjustment is for the people and not people for adjustment... we have designed and are implementing a recovery program that, we believe, can ensure for our country the growth that our economy so desperately needs, growth that is accomplished by real improvement in the living standards of our people."

There is no doubt that if PAMSCAD proves successful, it could help significantly in the implementation and effectiveness of Ghana's adjustment program. Once again, Ghana is playing the role of pioneer. The other 25 Sub-Saharan countries also undertaking adjustment will be watching the experiment very carefully over the next few years—and possibly be requesting "PAMSCADs" of their own. ■

Pictures of the Golden Land

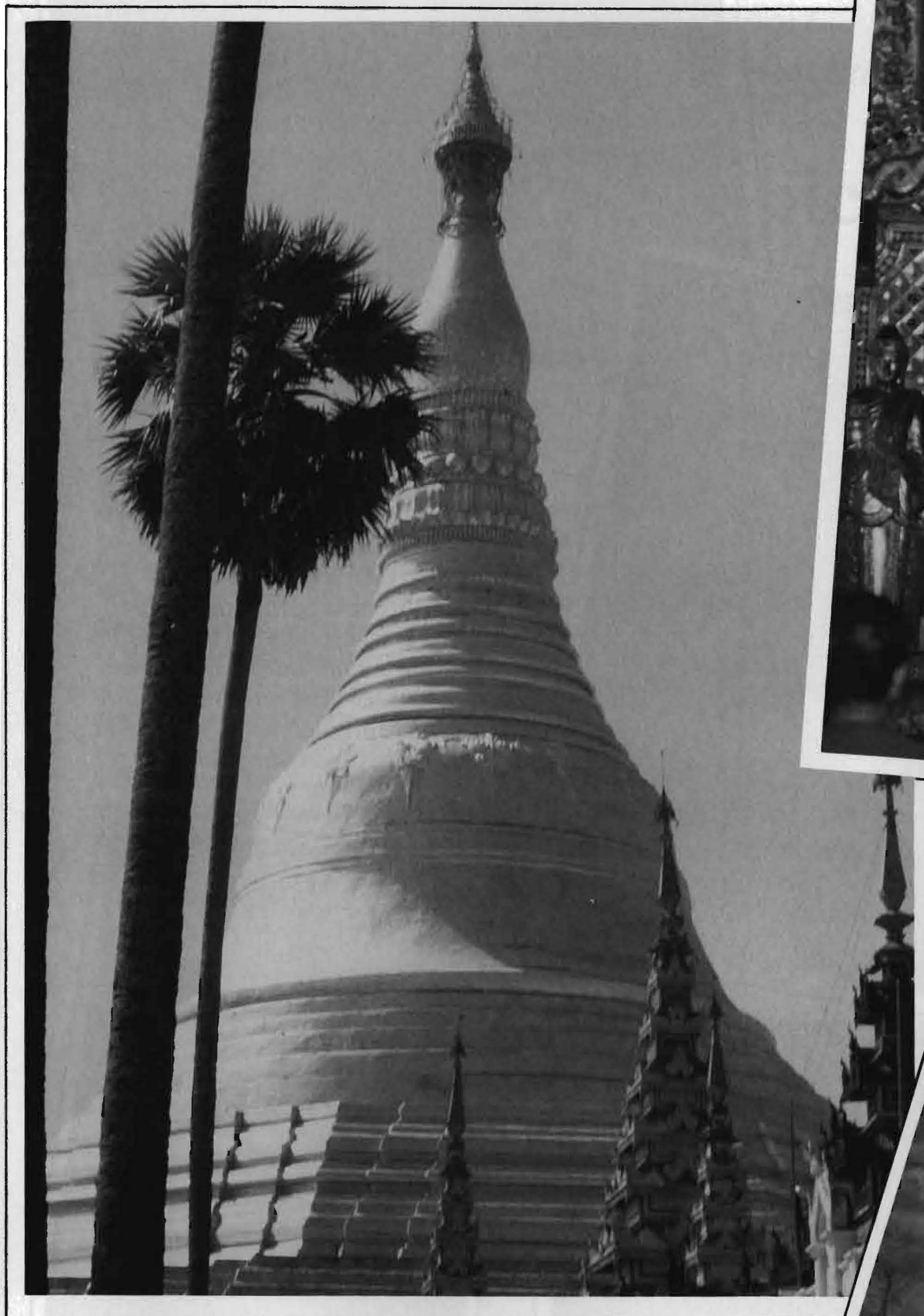
by Prabhakar Tamboli

Earlier this year, I was fortunate enough to visit Burma as a member of the Second Tank Irrigation Project's appraisal team. For an amateur photographer, the trip was an unsurpassed opportunity.

Burma is a fascinating country of some 30 million people. With an area almost 262,000 square miles, shaped somewhat like a diamond with a long tail, Burma was regarded during ancient and medieval times as the gateway to the Indochinese peninsula and China. Its abundant natural resources made it known as the Golden Land.

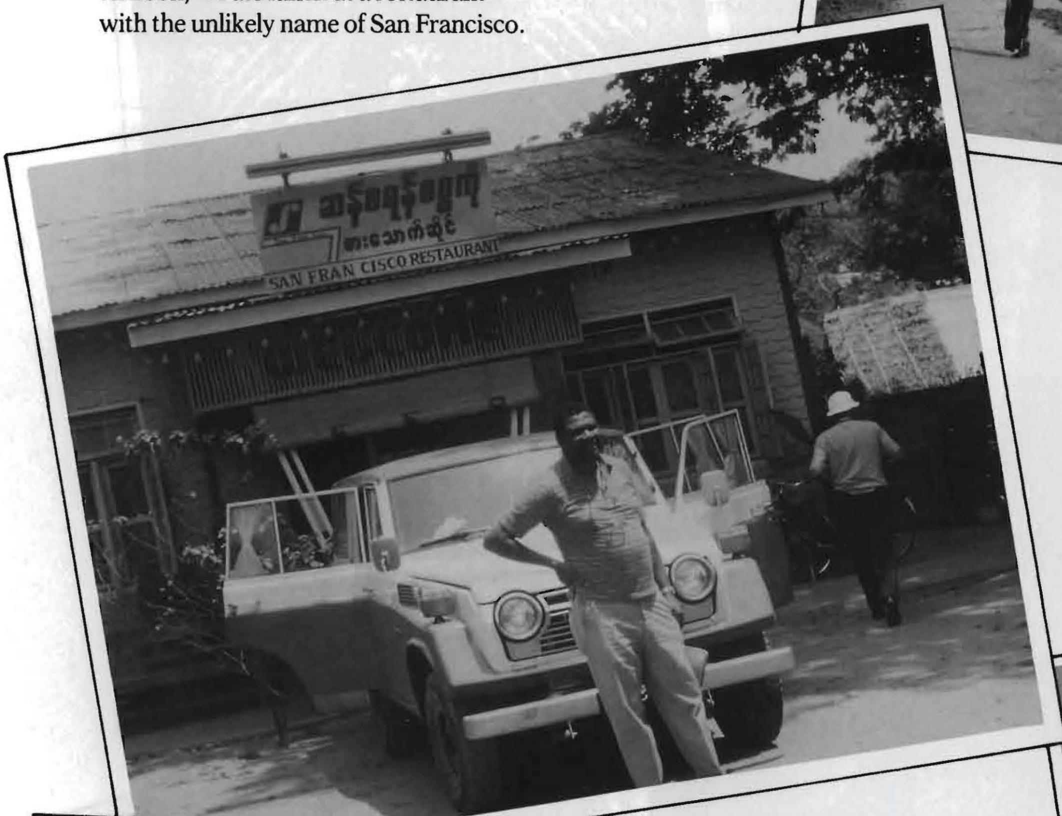
Although Burma has been practicing irrigation for more than a century, only 20 percent of the country's potentially irrigable land has been developed. In the Central Dry Zone (CDZ), even the monsoons do not offer adequate rainfall for full crops, and cropping intensities average only 70 to 80 percent. The government has therefore placed considerable emphasis on irrigation, adding on average 20,000 acres of new irrigation, mainly in the CDZ, and incurring capital expenditures of about $65 million each year during this decade.

Editor's note: Prabhakar Tamboli is a Senior Agriculturist in the Asia Technical Division.

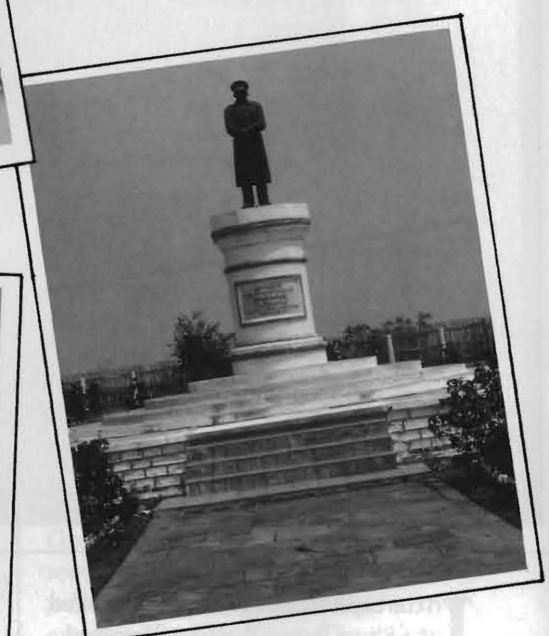


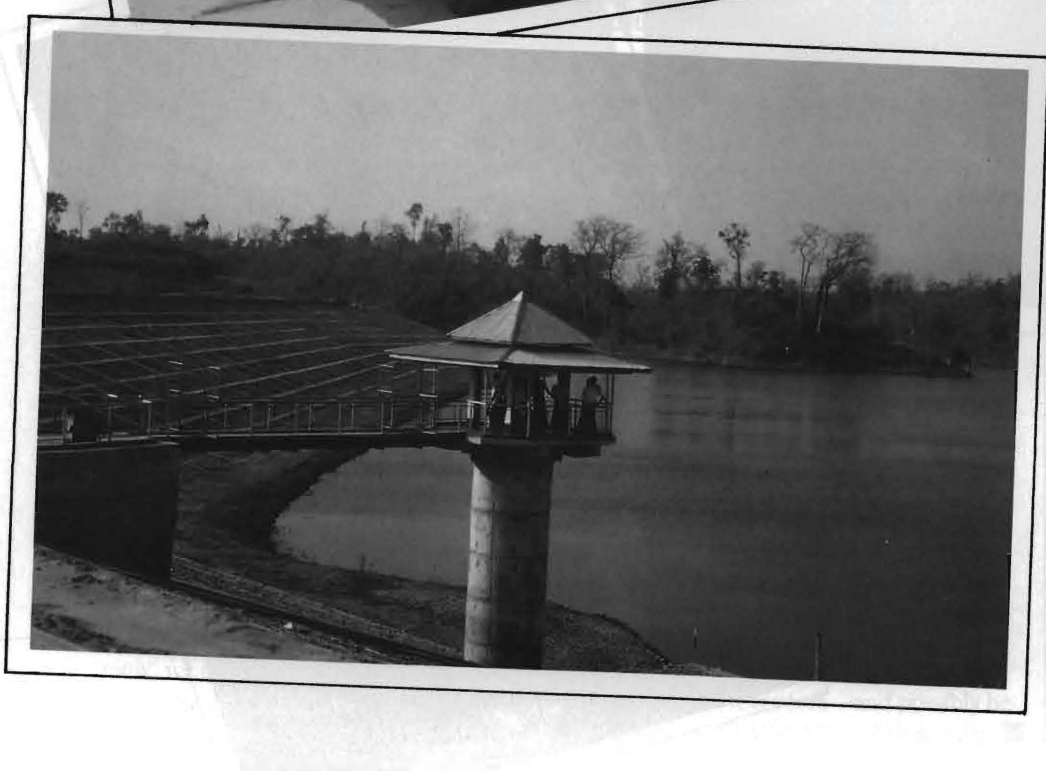
In the capital city of Rangoon, I visited the Shwe Dagon Pagoda, described by Somerset Maugham as "rising like a sudden hope in the dark night of the soul." Begun 25 centuries ago to enshrine eight hairs from Buddha's head, the pagoda is sheathed in $90 million of gold and crowned with 4,350 diamonds and other precious stones. Rangoon is festooned with lakes, one of which harbors the Karawek restaurant, built to resemble a floating barge. *continued next page*

After meeting with officials from the Irrigation Department, we set off at dawn for a field trip to the project site. Some three hours later, we stopped for a hasty breakfast at a roadside cafe where we discussed project proposals and examined maps of the area. In the early afternoon, we ate lunch at a restaurant with the unlikely name of San Francisco.



The ongoing Tank Irrigation Project involves two storage dams, irrigation systems, and drinking water supply for a town of 40,000 people. The Kinmundaung Dam is now operational, and a research and demonstration farm was established in 1987. During the last monsoon, about 400 acres of pre-monsoon sesame were irrigated, and 2,500 acres of paddies received supplementary water.





We then visited the weir site and proposed dam site for the Second Tank Irrigation Project and spoke with township authorities and their staff. The project would serve some 6,000 farming families in the townships of Myothit and Natmauk. The latter township is the birthplace of the national hero of Burma, General Aung San.

Asia Region Pioneers Training in Report and Memo Writing for Resident Mission Staff

Heat, Dust and Topic Sentences

by Mary Evans, Meredith Griggs and Barbara Thomas

For the amount it would cost to send one Resident Mission staff member to Headquarters for a writing course, a trainer from the Communications Skills Development Unit (CSDU) could come to New Delhi and train our entire staff!

This flawless and cost-effective logic prompted movers and shakers at Resident Mission India (RMI) to arrange for two *Report Writing* courses to be taught there in June 1986, setting a precedent soon followed by Resident Missions in Pakistan, Bangladesh and, even as we write, Indonesia.

"Writing memos and reports at Resident Missions can be every bit as stressful as writing them at Headquarters," says Mary Brady, Manager CSDU.

An English communications program has been operating at the World Bank for 20 years, constantly refining its training to fit the needs of an ever-changing Bank environment. The CSDU *Report Writing* course has been offered at Headquarters since 1974 and the *Memo Writing* workshop since 1983. However, only occasionally have Resident Mission staff had the opportunity to work with a trainer in organizing reports at Headquarters. The idea of "taking the show on the road" emerged when the Asia Region took the initiative of providing the course to its entire staff—and it has been enthusiastically received.

The right incentives

When that first request came from RMI in late 1985 for the two courses, the CSDU staff found a friend in Sangam Iyer, then Administrative Officer for South Asia Programs Department. Mr. Iyer became a proponent for CSDU courses throughout the Asia Region. All the right incentives came together at once: staff needed assistance with a burgeoning writing load; Headquarters, through Sangam Iyer, alerted other resident missions of the availability of the courses; course participants told others about the value of the training; and it soon became evident that sending trainers to resident missions was cost-effective.

In Mr. Iyer's words: "I have always pushed for training for local staff. It's useful and valuable to them. The Region is making good progress, but more needs to be done."

"There is no easy path to clear communication," says Ms. Brady. "Whether at Headquarters or at Resident Missions, whether support staff or higher level staff, it is a rare writer who relishes the task of writing a Bank memo or report. Though some may debate whether it's a blessing or a curse, Resident Mission staff get much less guidance and feedback than Headquarters staff to help them over the obstacles that every writer faces."

One obstacle stems from the fact that English business writing insists on a logic in its organization that seems illogical to many whose mother tongue is not English. Conclusions before details is what

Barbara Thomas with participants at the Bangladesh office, Saibul Huda (left) and Chowdhury M. Ismail.

"I had never thought of writing as a 'dialogue with the reader' before, said one of the field staff participants, while another claimed: 'I have learned how to read the mind of the reader through this course . . .'"

the English reader expects; and this pattern seems backwards to many.

To overcome the obstacles, CSDU writing courses have been designed to provide strategies and tools that writers can use in planning, organizing and drafting. *Report Writing* is for higher level staff who are native speakers of English or fluent, non-native speakers. The course helps writers locate main themes, reach conclusions, categorize details to support their opinions, and present the information in an easily read fashion. The *Memo Writing* workshop is for support staff who must compose memos and letters in English. Instruction in *Memo Writing*, as in *Report Writing*, focuses on the readers' expectations and questions as the key criteria for organizing details and choosing structure and style.

"I had never thought of writing as a 'dialogue with the reader' before," said one of the field staff participants, while another, echoing the sentiment, claimed: "I have learned how to read the mind of the reader through this course..."

Organizing their thinking

Richard G. Grimshaw, formerly head of the Agriculture Division, RMI, deserves the credit for being the first to offer his field staff training in *Report Writing*. Meredith Griggs, CSDU trainer, traveled to New Delhi in June 1986 to give staff the first two courses offered outside Washington. Although most of these staff members had held senior positions in Indian state agriculture ministries and had been writing reports in English for years, all agreed that Bank report writing style was different from that of the Indian Government. The staff were most interested in the core of the course—organizing their thinking and information; but they also welcomed pointers on tailoring style to Bank readers. This meant analyzing many poorly written reports from Headquarters (yes, even those penned by very senior management!) and then using a red pencil ruthlessly on their own reports.

Training long overdue

Despite pre-monsoon temperatures of 112°F, the fine dust blowing in from the Rajasthan Desert, and the holiday of Eid El Fitre falling in the middle of one course, attendance and participation were excellent. Many in the course felt this training was long overdue.

In the summer of the following year, 12 higher level staff at the Resident Mission in Pakistan were trained in *Report Writing* by another CSDU trainer, Mary Evans, who also taught the *Memo/Letter Writing* workshop to 11 support staff there. A visiting staff member from the Resident Staff Indonesia (RSI) also took the *Report Writing* course, which convinced him that his colleagues in Jakarta needed a similar course.

Both groups were highly motivated—they were always prepared for each session and willingly took part in the discussions. The follow-up tutorials helped the trainer assess how much learning had actually taken place. Considering the writing overall, there was a vast improvement in what is the key point of both courses: organizing one's thoughts to meet the needs of the readers. The writing had become much more focused.

At the Resident Mission in Bangladesh, CSDU trainer Barbara Thomas provided training in *Report Writing* to 15 staff members last April. In addition to working very hard to improve their writing, toward the end of the training the participants proposed a meeting with their managers to discuss problems in writing. Both groups were candid.

Managers felt that writers were hesitant to draw conclusions, did not support their conclusions adequately, or were repetitive. Writers sought agreement from managers on organization and content *before* drafting and more specific feedback on problem areas. They mentioned that comments such as "rewrite" left them unclear as how to proceed.

Example being followed

The Asia Region's example in providing communication training is being followed in other Regions. In fact, the European Office in Paris has already jumped on the bandwagon. This spring, it requested a short course in *Memo Writing and Proofreading* for 14 staff members and some training in oral skills for three staff members. Ms. Evans delivered these courses in early June—to the satisfaction of all. "I'm surprised we could learn so much in just four days," said Dominique Barbe-Boyer of the *Memo Writing and Proofreading* course. And of the oral skills training Magatte N'Diaye said, "It was good. Not usual, but very useful."

Communications training can go far beyond writing courses. A needs analysis at a resident mission may suggest a training package, including *Proofreading and Editing for Secretaries, Presentations, Effective Meetings, Oral Skills* and *Oral Proficiency Testing.*

So "hats off" to the Asia Region for starting this training and to the Paris Office for taking it further. Who's next? ■

A Clown in the Corporation

Meet Blossom

by Katie McNamara

In 1985, my local newspaper advertised a Red Cross Clown Corps course. This caught my attention because I was at loose ends, just getting over the loss of my husband of 36 years and needing an outside interest. The group would eventually visit nursing homes and do local benefits, fairs and festivals. It sounded like an ideal activity for me.

There were classes every Tuesday evening for eight weeks. I sing in the church choir and that has rehearsals on Tuesday evenings too, so there was a risk I might be late. The choir director, Sister Camille, didn't mind so long as I showed up. She was in for a few surprises.

Learned how to make up

There were 14 would-be clowns in our class, and we learned how to make up our faces and make our own costumes, having decided how we wanted to look and the characters we wanted to project. I had always secretly wanted to be a blonde, so now I have a blonde wig which I highlight with green spray paint.

An old IFC colleague, Ruby Tung Yep, now retired in Australia, long ago nicknamed me Blossom. I decided that would be a good name for a clown and built around that, designing a very bright, pretty costume, vivid pink on one side and with big, gaudy flowers and fruit on the other. I also designed an umbrella for myself which has flowers and butterflies on it, and my *carry-on* (all clowns have their own carry-on) is a stuffed dog, which looks exactly like my own little dog.

Blossom the Clown a.k.a. Katie McNamara

When I retire, I'll run away and join the circus!

At each phase of developing my clown character, I arrived at choir practice looking different. The first night I showed up in whiteface was quite a shock to everyone—especially since Sister had forgotten to tell the others that I was taking a clown course. Finally, one evening I arrived at the church in full costume, creating quite a sensation!

I graduated third in the class and now do only volunteer assignments for the Red Cross. Members of the Clown Corps have to be invited by the various organizations to participate. If the weather is nice and I'm permitted, I take my real dog with me—she's a big hit and loves the attention. I'm not coordinated enough to juggle, but I make balloon animals, play the kazoo or sing a little ditty—whatever comes naturally on the spur of the moment to make people happy. When you're wearing clown make-up, people don't think you're crazy—they expect to be entertained. I just have fun, which is what it's all about. As long as I can make someone smile, that's all that counts. Sometimes I do skits with other clowns and sometimes I'm on my own.

Honking the horn

It is fun to see the reactions of people on the street or other drivers. I forget that I'm dressed up until I notice someone staring and waving or honking the horn at me. Then I smile and wave back. It's great to see the children's reactions—some are all starry-eyed, and others are a little frightened at first, so you have to be careful how you approach them. I usually let them come to me. Some of them are just babies, not yet walking, but they laugh and get so excited.

Having been at IFC for 23 years, I'm planning to retire soon—but not from clowning. I want to take more courses in this art and continue with it along with my other volunteer activities when I return to Canada. My family used to be concerned that I would be bored after I retired, but I've assured them they have nothing to worry about. I tell them: "When I retire, I'll run away and join the circus!"

Editors Note: Katie McNamara is a Staff Assistant in IFC

Adjustment and Financial Sector Development in Africa

Miguel Schloss

Miguel Schloss, Chief of the Industry and Energy Division, Africa Technical Department, recently spoke at a workshop for the Association of African Development Institutions. Here are excerpts from his remarks:

The magnitude of the changes in capital movements and commodity prices throughout the world have left developing countries with no recourse other than adjusting to this unfavorable situation. An increasing number of countries are adopting structural adjustments needed to lay the basis for sustainable faster growth in the medium term. Key objectives of these usually are: to redirect macro-economic and sectoral policies to strengthen growth and balance of payments prospects, to improve output levels and efficiency in the productive sectors, to diversify exports, to pull back the role of over-extended public sectors, and to encourage considerably expanded private sector contribution thereby releasing latent energies in the productive sectors.

Given the degree of distortions and the limited productive base in African countries, the banking and financial sectors in these countries have a crucial contribution to make to this process. They will need to facilitate the shift of investment and working capital resources to more efficient productive activities. They will need to assist the restructuring of potentially viable activities facing transitional financial distress due to changes in their policy environment. They will also need to considerably strengthen the level of efficiency of resources/savings mobilization. In short, financial intermediaries will need to learn how to do more with less, and live within a more constrained environment. This has a number of implications.

First, banking sectors in many African countries are in such immediate and far-reaching need for restructuring and policy reforms that financial sector adjustment, often supported by quick disbursing funds, is a necessary precondition to strengthen term intermediation. This involves review of the status of the portfolios of institutions like yours, their implications in addressing financially distressed institutions (with their consequent actions on liquidation, merger, restructuring and recapitalization), the corporate restructuring of financially distressed but potentially viable clients, and the management restructuring of the financial intermediaries themselves to deal in an orderly way with a changed local and international situation. These are sensitive issues, because they imply the recognition of losses, and decisions on who shall bear them. At the same time, there is an inevitable need to confront them, if institutions like yours will have any chance at all to "clean the slate" and be able to mobilize resources for productive purposes.

Second, a broader but related set of issues concerns the need for a "systemwide" approach to adequately address the need for financial and banking sector reform. Such an approach is key to preventing future recurrence of the deep banking sector problems facing many African countries. To complement restructuring at the individual institution level, therefore, changes may be needed to strengthen banking supervision by central banks, to revise banking legislation to open up financial markets to greater competition, and to free up financial sector policies (interest rates, credit allocation, etc.) to ensure that financial intermediaries channel resources to more efficient uses, where the growth and balance of payments impacts can be greatest. In this context, there is the need to assess the respective roles of specialized versus multi-purpose banks. Generally, given their mixed past performance and the constraints they have faced, the question needs to be addressed as to whether the specialized banks—including industrial development finance institutions—would not better be restructured into multi-purpose banks to strengthen their domestic resource mobilization capabilities, and to encourage greater competition in financial markets.

Third, for the most part, many African countries have to deal with weak and vulnerable financial institutions. In many instances, the multiplicity of objectives that governments and their financial institutions seek, and the absence of priorities among them, lead to a situation where social goals may become an inadvertent excuse for failed financial and economic performance. The need of handling limited resources make it imperative to establish greater accountability, selectivity of project choice, and mobilization of resources than exists at present—with its attendant implications on interest rate policy, economic evaluation of projects, etc. These are necessary conditions to build up the required trust so that people will be prepared to put their resources at your disposal so that your institutions can effectively get into term intermediation. Judging from our experience in other sectors, a mind-focusing tool that has proved to be useful has been the establishment of specific tests of performance, with their underlying assumptions of action plans covering matters such as debt collection, staffing, and attendant requirements to improve the overall performance of the entity. Here again, actions aimed at "putting the house in order" are necessary, but of course not sufficient, conditions for improved resource mobilization.

Fourth, I hope that we don't understand resource mobilization in its narrowest sense (i.e., the channeling of financial resources into particular purposes), and that we also bear in mind the broader question of enhancing a country's comparative advantage in a rapidly changing world of international integration of production across national boundaries. To this end, we need to think about ways of attracting not only loan financing, but more importantly equity, and the associated know-how and risk-taking that come with it. One cannot overly stress this point, since much of the crisis in which many African countries find themselves is to a significant extent the result of vast changes in patterns of world economic interdependence, whereby previously "revealed" comparative advantages are being overtaken by technological developments that are sweeping aside physical advantages, low-cost labor and the like. It is becoming increasingly important that, to be a player in the marketplace, enterprises will have to form strategic alliances to be competitive, bringing in marketing capabilities, technical and managerial know-how and a better capacity to respond to increasingly challenging market demands. Development finance companies could play an important catalytic role in this expanded field of resource mobilization.

Fifth, a perhaps still more pressing need, especially as structural adjustment programs unfold, is the need for African financial institutions generally to acquire the "merchant banking" capabilities needed to assist financially distressed clients in putting together sound and feasible corporate work-outs (or corporate restructuring programs). Given the growing but still limited entrepreneurial base in Africa, and the quicker economic returns in terms of supply response that are possible with restructuring as against new investment, this is very probably a priority need. It could also make a strong contribution to restructuring and strengthening bank and development finance institutions' portfolios. It will, however, require new financial and technical skills and perhaps new financial instruments to be developed.

Last but not least, we may all have to think harder on the question of mobilization of financial resources per se, and in the process, maybe, reassess the way development finance companies, often along with other financial institutions, are conducting their business. Factors contributing to low-domestic resource mobilization include: (a) low (or negative) returns to financial savers as a result of low administered interest rates; (b) lack of confidence in the banking system; and (c) limited range of instruments of savings mobilization. With the adoption of adjustment measures in a number of countries, real interest rates have become positive, and as a result financial savings have responded favorably. Admittedly, in some countries, depositors' confidence continues to be affected by the large fluctuations in interest rates due to the inability to control inflation, or a long history of government intervention in the banking system, with accompanying uncertainties regarding client information disclosure and absence of suitable information about the bank's financial condition. By the same token, the development of a broader, more diverse and competitive range of financial instruments and products (such as guarantees, co-underwriting, leasing, debt-equity conversions, and co-financing with other parties, to mention a few) could be instrumental in tapping the savings to an increasingly differentiated clientele of borrowers and lenders alike. While this may be the way to go in some of the larger countries where there is potential for development of a local capital market, in the smaller economies some hard thinking needs to be done to develop alternative instruments for lower income levels as well as market development, to help channel an informal form of financial sectors funds (e.g., from "tontine," curb market, credit unions, etc.) through the banking system to increase mobilization and the efficiency of allocation of small savings—without risking the introduction of regulations that would reduce its dynamism.

In sum, the African economies have had serious rigidities that stood in the way of their timely adaptation to the changing external environment. The structural changes that are now needed will require the setting up of a more flexible economic structure. With the changes noted, the banking systems should be able to play a pivotal role in this regard, if only because they are the mechanisms that are meant to mobilize resources to sectors in need of funds from those that generate "surpluses." ■

They're Coming Sooner Than You Think

Robots in the Workplace?

by Jennie L. Ilustre

Can you imagine talking to a robot? Can you imagine *working* with one?

Year 2000 is less than 12 years away. Even before then, meeting a robot on your way to the water cooler will be a daily experience. It is already taking place in key industries all over the world, rapidly changing the way in which both industrial nations and newly industrializing countries (NICs) operate.

Indeed, players in the world market are changing. But it's a tougher game compared to when Japan staked its claim in the '70s.

Consider: Industrial nations are already several steps ahead technologically. They have also formed alliances, making them more formidable.

Consider the way microelectronics and other new technologies have revolutionized the production process. This industrial revolution exacts many changes, creates many needs. Speedier market information, for one. Consider too that advanced nations need cheap labor for industries not suited to automation. And whence cheap labor?

From China, India, Bangladesh and Indonesia, themselves getting into technology. These countries are tomorrow's NICs.

Have to go high tech

How will all these affect the World Bank?

The new technologies are forcing developing countries to choose which sectors should be automated. The garment industry, once considered traditional, will have to go high tech in some production stages to stay profitable.

For the Bank, awareness of the technologies and their effects on developing nations is "critical to policy and operational advice and to industrial and educational lending."

"Competitive Advantage in the Information Age," commissioned by the Korean Trade Association, studies garment and textile, automobiles and semiconductors—industries which are, respectively, traditional with recent advances, modern, and high tech.

The report was conducted by Ashoka Mody, Industrial Economist in the Bank's Industry Development Division, Industry and Energy Department, and David Wheeler, Associate Professor of Economics at Boston University. Their conclusion?

"Countries and companies do not have to automate everything in one go, but

What Is a Robot?

The word "robot" comes from "robota," Czech for work. It was coined by Czech playwright Karel Capek in his 1920s play, "Rossum's Universal Robots."

A robot is a machine capable of making decisions in response to external stimuli. Key industries are turning to robots because they produce more and better goods for less money and in less time. They are also ideal for delicate, dangerous and tedious tasks. The latest on robots: they can now communicate with each other to perform a series of different but related functions to produce goods.

According to Marvin Cetron and Thomas O'Toole, co-authors of *Encounters with the Future: A Forecast of Life into the 21st Century*, a robot is a mechanical device "which has TV cameras for eyes, hydraulic and pneumatic manipulators for arms, viselike gripping devices for hands and small high-speed computers for brains."

Tony Woo, program director for automation and systems integration at the National Science Foundation, explains that a robot is different from a machine:

"Machines are for repeatability and durability. They're ideal for making designer jeans using the same patterns over and over again. Humans are valued for their flexibility. Robots combine the flexibility of human beings with the durability of a machine. If you want to make jeans with a greater variety of designs but in small quantities, you use robots."

There are two views about robots in the workplace: they take over people's jobs, or they increase workers' creativity by freeing them from routine tasks. One thing's for sure. They are already here, and they are here to stay.

they have to be a lot smarter about mixing robots and workers, making the most of both by segmenting the production process."

How? "By cutting labor and capital costs by having one stage of the process in one country with low-wage workers, and another stage in an industrial nation where automation is available," explained Mr. Mody, a former AT&T Bell Labs expert. "The United States garment industry, for example, could use cheap labor in Mexico or Latin America while keeping other operations back home."

It's not as easy as it sounds, particularly for the NICs.

Right now, cheap robots from industrial countries and cheap labor from low-wage countries such as China and India are proving to be a costly combination for the newly industrializing countries. Caught in the middle, they are just beginning automation, and their workers are no longer low-paid by world standards.

To stay competitive in the export market, the NICs—Singapore, Malaysia, Hong Kong, Taiwan, and Korea in particular—are making their own robots and numerically controlled machines instead of importing them. Most of them have also adopted automated technologies.

Among the study's highlights:

Garments and textiles. Human labor is still cheaper than automation on the assembly line. China alone with its low-wage workers could beat industrial nations in the world market were it not for a worldwide quota system.

Semiconductors. Production has always been automated at the preassembly stage. Complete automation cancels the advantage of cheap labor.

Automobiles. Among the three sectors, this is the most favorable for Korea. Next year Korea begins using robots to produce compact cars. It expects to make this operation cost-effective by the '90s.

Bak Kwang Kang, Science Counselor at the Korean embassy, told *Bank's World*: "Right now increasing employment opportunities, particularly raising wages, is more important than increasing automation in our industries. But full automation is inevitable. Within the next 10 years, Korea's level of automation will reach that of advanced countries."

J Building Meeting Places in Use

Book Your Seminar Now

by Grace Bedoya

Recent additions have enhanced the Bank's capacity to host meetings at Headquarters. The newly completed Auditorium and Assembly Room in the J building can accommodate a seminar for 65 participants up to a large conference of 200, including a full range of amenities.

Located on the lobby level and well away from traffic, the J Auditorium (Rm. J-1050) offers a fully contained theater-style meeting hall for 65 people, featuring comfortable chairs with fold-back desktops, a raised platform with enough room for a podium and/or head table, and a projection screen with motorized draperies covering the wall behind the platform. Visual aids and sound equipment, all operated from a control booth, include slide, 16mm film, and overhead projectors, as well as playback video equipment and portable monitors.

The foyer allows ample space for registration, coffee breaks, document display, and a delegate seating area. A cloakroom and telephone booths are provided at the main entrance of the hall.

One floor below, surrounded by negotiation suites, training facilities and breakout rooms, the J Assembly Room (J-B-1080) accommodates up to 200 people in varying setups to meet special needs. The room is fully equipped for sound, film, overhead, slide, and video presentations. State-of-the-art equipment includes an infrared signal simultaneous interpretation system for up to four languages, similar to the one in the H building auditorium. A stereo theater projection system for film and video is in place, and a ceiling mounted video projector is being installed for tape, broadcast, and closed circuit viewing. There are also four interpreter booths with an adjacent lounge on the mezzanine.

Arrangements for the use of the new facilities are being handled by GSD's Conference Service Section. Until now, Conference Services has been handling an average of 1,500 meetings yearly in five conference rooms and auditoriums, and a similar number of miscellaneous requests for audiovisual support in departmental conference rooms and meetings not held at Headquarters.

It may not be easy to book the Assembly Room and Auditorium if reservations are not made well in advance—the calendar is quickly filling up with requests for the next six months.

"Since the opening of the new facilities, we've received a good number of laudatory comments from vice presidents, directors, EDI, and many others," said Thomas Rimpler, Chief of Conference Services, GSD. "This praise extends not only to the rooms and technical facilities, but also to the attractiveness of the decor in the surrounding areas."

Editor's note: Grace Bedoya is Conference Coordinator, GSDCO.

Bill Fraser Featured in

American Artist

Art as a Way of Life

by Jennie L. Ilustre and Thierry Sagnier

Bill Fraser

"One of the excitements of watercolor for me is that only rarely does the finished painting look like what I envisioned it to be," says Bill Fraser. "But I don't find this disheartening. I like the challenge."

Bill Fraser is a Publication Designer in the Publications Unit of Art and Design. You're holding one of his works right now. He designs *The Bank's World*, as well as other periodic reports and Bank publications.

But that's only by day. He's also an award-winning watercolorist, featured this month in the prestigious magazine, *American Artist* (available at the F building newsstand), a painter whom Agnes Ainilian, owner of the Ainilian Gallery where he displays, says: "If he were to give me paintings today, I could sell all of them in a matter of hours. He has a devoted following here and commands up to $500 for his watercolors. He's that good."

Won a scholarship

His interest in painting is not newly found. At age 15, he won a scholarship to study with Henry Hensch in Provincetown, Massachussetts, for the summer. After high school there was another scholarship, this one from the District of Columbia chapter of the National Society of Arts and Letters. With it, he attended New York's Parson School of Design and turned to commercial art. "I figured that no one could ever live on 'fine arts.' I thought I'd be an illustrator, at first, but then I settled on becoming a design specialist." He completed his studies at the Abbott Art School in Washington.

He worked briefly for the *Washington Post* as a layout artist, then went with various small commercial studios, designing publications for such clients as the *Army Times*, Brookings, and the Smithsonian.

He then spent almost 20 years working for the same studio before coming to the Bank.

"One of the assignments I had with the studio," he remembers, "was to do small portraits of military men who had won Reserve Officer Association Awards. I did them with watercolor and pencil, and often, when work was slack, I'd also do miniature landscapes from memory."

In 1975, he entered the Miniature Art Society show in Washington and won second prize. In 1977, he was awarded first prize in the Florida Miniature Art Show. He eventually started doing full-scale paintings.

More creative outlet

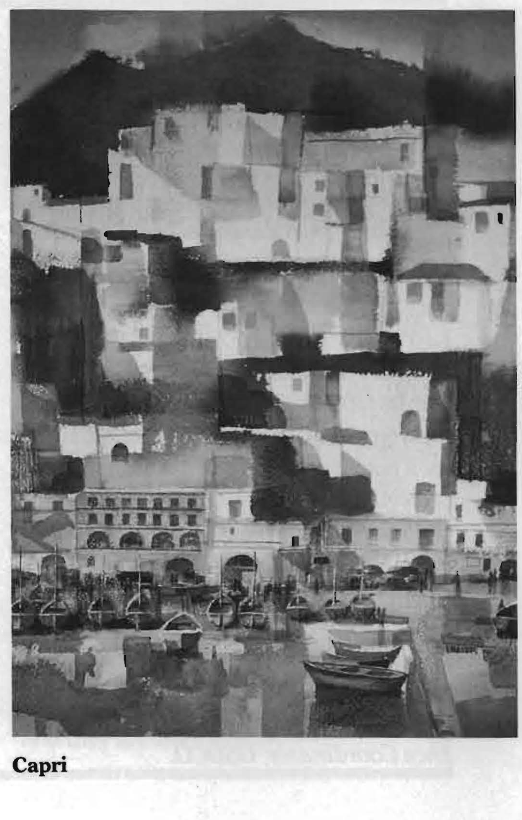
"I started taking myself seriously as a watercolorist about 15 years ago," says Mr. Fraser. "I found myself with some vacation days and nothing to do. So I went on a painting holiday, a workshop actually, in Maine." The trip sparked a need for "a more creative outlet than the one I found in commercial work." Mr. Fraser began to paint during his spare time, then spent vacations on traveling workshops and painting.

The workshops were eye-opening. "First, I got to see out-of-the-way places in Spain, Scotland and Scandinavia that I wouldn't have visited as a typical tourist. I enjoyed painting on location though circumstances weren't always the best." He recalls lugging all the necessary painting gear around rocky terrain under a blistering sun, while being attacked by hordes of mosquitoes, and having to shift from spot to spot because of rising tides. "Most people think painting is always sedentary," he adds. "It's sometimes not."

He then began traveling on his own, taking photographs and making sketches that would later be developed into paintings. He started entering national juried shows with his full-scale works being accepted into such exhibits as the San Diego National and the Colorado National.

First one-man show

Ten years ago, a friend introduced him to Agnes Ainilian. "I gave him his first one-man show," the gallery owner remembers, "and it sold out."



Capri

Washington, D.C.

'I became more interested as I got better, and, naturally, better as I became more interested.'

"I became more interested as I got better, and, naturally, better as I became more interested," he now says. There have been three subsequent showings at the Ainilian Gallery.

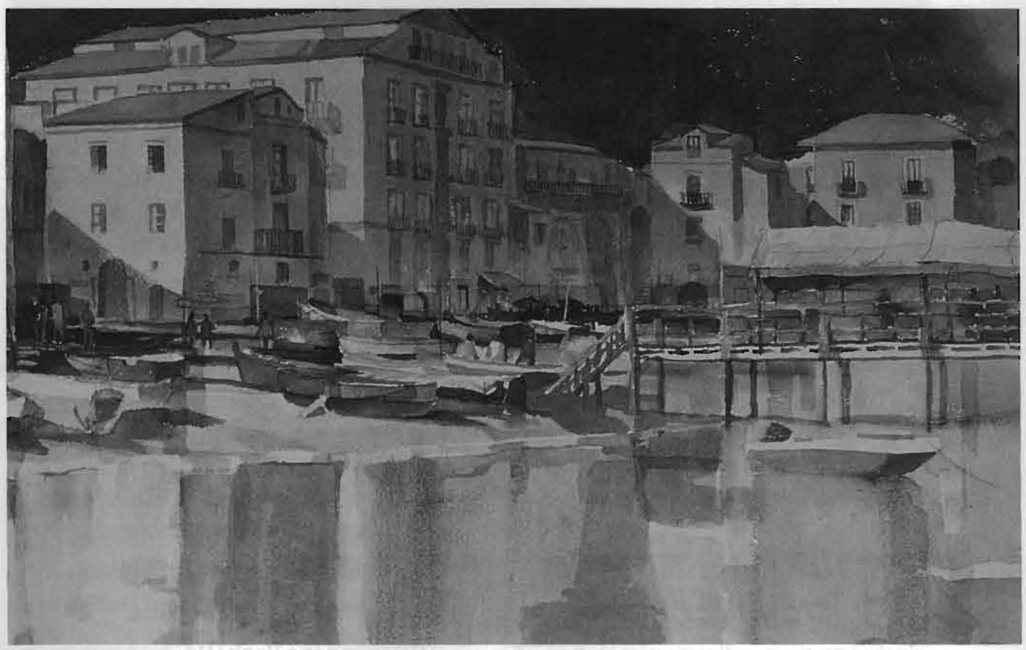
Painting is not without its frustrations. "Sometimes it's one step forward, two steps back. There are non-productive periods during which I find myself making mistakes or errors that I should have overcome long ago. And if I forgo painting for a weekend, that weekend can easily turn into weeks or months."

It's a challenge

For Mr. Fraser, work and painting go hand in hand. "The creativity is different here, of course, but it still requires a lot of imagination. I'm one of the artists who does cover designs for the Publications Department, among other jobs, and, more often than not, the client will give me only an idea, or a title, occasionally a photograph. The rest is up to me." Almost always, the work is under deadline, but, he feels, "it's a challenge."

He will, nevertheless, admit to a certain anticipation. Retirement is not so far away, and the prospect of painting full time is enticing. "I've started painting with oils again, which was my first medium many years ago. It offers an entire range of new problems to solve, new techniques to explore and, hopefully, master."

No more watercolor shows? Bill Fraser smiles. "We'll see. Maybe next year." ■



Marina Grande, Sorrento

St. Lucia

The Staff Association's Evolving Role

by Ann Hammond

When the SA was established in 1971-72, the Bank was growing fast. Staff, concerned with the well-being of their colleagues and the institution, realized they had no input into such issues as how the medical plan was to be structured and how the pension system should be administered. Management was beginning to find that a mechanism was needed to obtain views of staff on issues that affected them. After a great deal of hard work, and with strong cooperation between staff and management, a constitution for an association of staff was prepared and approved through referendum by some 78 percent of eligible staff.

A sense of common purpose

The SA's mandate, as set out in that constitution, is two-fold: first, to foster a sense of common purpose among staff in promoting the aims and objectives of the Bank/IFC; and second, to promote and safeguard the rights, interests and welfare of the staff. The Delegate Assembly (DA), comprising more than 90 members elected by their colleagues in units throughout the institutions, is the decision-making body. The Executive Committee (EC), elected by delegates from among their ranks, carries out those decisions. Working Groups, currently numbering about 20, are groups of staff who volunteer their time and talents, sometimes working with expert consultants, to advise the DA and EC on technical and policy aspects of specific issues such as training/career development, office technology, compensation, and health and insurance.

While the mandate and organizational structure have stayed the same over these 17 years, activities to carry out that mandate have evolved. In the area of staff rights, for example, the SA has initiated and/or helped establish the Appeals Committee, Administrative Tribunal, Office of Ombudsman, Principles of Employment and Staff Rules. With respect to employment terms and conditions, the SA helped to set up the current compensation system (even with its flaws, an improvement over the previous, highly politicized method of determining periodic salary adjustments) and various staff benefit provisions, and has gained representative seats on decision-making bodies such as the Pension Finance and Pension Benefits Administration Committees.

Like other multilateral organizations, the Bank/IFC operates in an increasingly politicized environment. With that theme underlying, the SA hosted a full-day Conference June 22 of the heads of the staff associations/unions of seven major international organizations and a representative of the Federation of International Civil Servants Association. Participants focused on two areas: recruitment and retention of staff, including erosion of salary and benefits, and staff rights and protection, including appeals and grievance procedures.

Somewhere in the middle

We found the Bank/IFC somewhere in the middle on these issues, compared with other organizations. On staff rights, our processes seemed somewhat ahead of others in terms of their existence and independence. However, we seemed somewhat behind in terms of the legitimacy of staff using these processes without stigma attached. On employment terms and conditions, nearly all organizations were finding their processes subjected to political interference rather than being technically objective, and finding it difficult to recruit and keep staff.

While we found considerable similarities in external political pressures on the organizations, we noted significant differences in terms of how staff representatives interacted with management. There was unanimous agreement that staff associations/unions needed stronger roles with respect to management, including (as one reported having) the right to *negotiate* with management.

The SA's done a lot over the years to help build mechanisms and processes to protect staff rights and promote the well-being of both staff and the institution. In the current external and internal environment, the SA's role becomes even more crucial—to help protect the institution as well as its staff. We need to be more proactive, and expand our traditional areas of focus and *modus operandi*. We need to emphasize even more safeguards for fair and equitable treatment and the rights of staff.

Protect those rights

Our challenge now is to protect those rights and that well-being from erosion. To do this, we need staff to show their support by keeping membership dues up to date, volunteering for working groups, standing for election as delegates, and giving feedback, both pro and con, to SA representatives.

We also need a real dialogue with management. The Principles of Staff Employment and Staff Rules recognize that the President needs to be cognizant of staff views, *with a view to building consensus*, in matters concerning the staff, and that these views be considered with respect to establishing and changing personnel policies, conditions of employment and general questions of staff welfare. In short, the SA, as elected representatives of staff, is to be consulted on the full array of matters affecting staff rights and employment terms and conditions. The nature of this consultation needs to be a real exchange of views, with management and staff representatives truly prepared to listen to each other and to modify their respective views as a result.

Only together can we solve the problems and find a win-win solution to the struggle in which the institution and its staff are now engaged.

Bank/IMF India Club Raises Drought Relief Funds

The World Bank/IMF India Club, with the help of Air India, organized a fund-raising drive from February through April to support drought relief work in India. The Club, whose membership includes friends of India within the Bank/Fund community, arranged with Air India to donate two round-trip air tickets to India. Under the leadership of V.S. Raghavan and T.N. Sharma, the Club raffled the tickets, which were won by Wolfgang Hoehenwarter.

As a result of the fund-raising efforts, a check for $5,150 was presented to His Excellency P.K. Kaul, Ambassador of India, by Club President Vinay Bhargava. The sum will go the the Prime Minister's Relief Fund.

***From left to right*: Ambassador P. K. Kaul, receiving check from India Club President Vinay Bhargava, along with Ravi Saxena of Air India and Club Secretary T. N. Sharma.**

The Card Catalog Didn't Make It

The Joint Library is on the move! During July, there was a steady flow of books, periodicals, office equipment and furniture to the Library's new location on the sixth floor of the International Square building at 1875 I Street, N.W.

Moving the Library was a massive undertaking. Nearly 500,000 individual pieces found new homes. Approximate shelf locations for these items were determined and marked, shelf by shelf, from their old location by the Library's cataloguing staff.

This relocation had the added complication of myriad data communication hookups which have been in the works for several months. The online catalog has completely replaced the card catalog, once a staple of any library setting. In fact, the card catalog, containing nearly two million cards representing who-knows-how-many hours of work, did not make the move.

The Joint Library will proudly open the doors of its new home early this month. Hours are 8 a.m. to 9 p.m. Monday through Friday and 10 a.m. to 6 p.m. Saturdays. To ensure security for library users after normal business hours, a key will be needed to get into the International Square elevator complex after hours and on Saturdays. The key can be picked up for same day use from the main guard desk at the I building. The key will be collected by a guard at the Library.

Why don't you make International Square a part of your regular itinerary?

World Development Report 1988 Released

Opportunities for sustaining and increasing world economic growth will be lost unless governments take further action to reduce continuing fiscal and trade imbalances and restructure economic policies, according to the Bank's recently released *World Development Report 1988*.

The *Report* goes on to state that despite increasing optimism about the short-term economic outlook in the industrialized economies, slow growth and uncertainty about medium-term prospects persist in both industrial and developing economies as the 1980s draw to a close.

This year's *WDR* themes were "Opportunities and Risks in Managing the World Economy," and "Public Finance in Development."

The *Report* is available at the J building Bookstore free of charge to staff.

New Club

We recently received this letter written by the daughter of Ngozi Okonjo-Iweala, who works in AF3AG. If you travel and have children, we suggest you clip this and put it on your refrigerator door.

Dear Editor of *The Bank's World*,

I am seven years old. I am going into the third grade this September. Before that, my mother is leaving home to go on a mission. I am opening a club. It is called Club of Children with Traveling Parents (CCWTP). I want children whose parents travel to feel happy even though their parents are gone. In my club, we will make new friends, call each other, welcome anybody new, think of things to do together and tell each other our feelings. So anyone who'd like to join me, my phone number is (301) 493-9122.

Yours faithfully,

Onyi Iweala

Senior Staff Appointments

Yoshio Terasawa, a prominent Japanese financier, has been appointed Executive Vice President of the Multilateral Investment Guarantee Agency (MIGA). Mr. Terasawa will be MIGA's chief operating officer.

MIGA was launched June 8 and charged with helping developing countries attract productive foreign investment. It will guarantee eligible foreign investors against noncommercial risks on new investments in developing countries and will help member governments improve their programs for attracting foreign investments.

Mr. Terasawa has been Executive Vice President of Nomura Securities Co. at its Tokyo headquarters since December 1986. His entire career has been in international finance, including a series of positions as head of Nomura's operations in the United States.

Mr. Terasawa graduated from Waseda University, Tokyo, with a bachelor's degree in economics and took graduate studies at the University of Pennsylvania's Wharton School of Business. He was the first Japanese to hold a seat on the New York Stock Exchange and the Boston Stock Exchange. Mr. Terasawa is a member of the boards of several non-profit organizations and has authored numerous articles in Japanese and English as well as a book on Wall Street.

Bernardo Frydman
Brazilian national, promoted to Manager, Financial Operations Division, IFC's Financing and Budget Department, effective July 1.

1985: Joined IFC as a Senior Financial Operations Officer, Financial Policy and Planning Division . . . 1987: transferred to the Financial Operations Division . . . promoted to Principal Financial Operations Officer later that year . . . 1988: Acting Manager of the Division since January.

Sami Haddad
Lebanese national, appointed IFC Regional Representative for North Africa in Morocco, effective September 1.

1981: Joined the Bank as a Young Professional . . . 1982: transferred to IFC's Capital Markets Department as an Investment Officer . . . 1986: Deputy IFC Representative, West Africa . . . 1987: promoted to IFC Representative, West Africa.

Hung D. Nguyen
Vietnamese national, appointed IFC Regional Representative, West Africa, in Abidjan, replacing Mr. Haddad, effective September 1.

1975: Joined IFC's Finance and Management Department as an Operations Officer . . . 1982: promoted to Senior Operations Officer in the same department . . . 1985: Senior Investment Officer, Department of Investments, Europe and Middle East.

Farida Khambata
Indian national, appointed Manager, Capital Markets, Division III, IFC, effective July 1.

1975: Joined the Bank's Young Professionals Program . . . 1976: Operations Officer, East Asia & Pacific Projects Department . . . 1982: Senior Operations Officer, same department . . . 1983: Senior Pension Investment Officer in the Staff Retirement Plan Department . . . 1986: joined IFC's Capital Markets Department . . . 1987: promoted to Principal Investment Officer.

Robert M. Lacey
British national, promoted to Chief, Coordination and Development Administration Division, Economic Development Institute (EDI), effective July.

1982: Joined the Bank as an Economist, Country Programs Department I, LAC Region . . . 1984: promoted to Sr. Economist . . . 1986: transferred to the Projects Policy Department as a Management Specialist, Public Sector Management Unit . . . at the time of the reorganization, joined the Public Sector Management and Private Sector Development Division where he was promoted to Adviser, Public Sector Management.

Allan Douglas Legg
British national, appointed Auditor General, Internal Auditing Department, effective June.

Previously Group Chief Internal Auditor, British Telecommunications, London . . . held various senior auditing positions in major public corporations before joining British Telecommunications . . . actively involved with the Institute of Internal Auditors . . . lectures on audit topics in the United States and the United Kingdom.

Mieko Nishimizu
Japanese national, appointed Chief, Industry, Trade and Finance Operations Division, Country Department I (Pakistan, Turkey), EMENA Region, effective July 1.

1980: Joined the Bank as an Economist, Economics of Industry Division, Development Economics Department . . . 1983: transferred to the Industrial Strategy and Policy Division, Industry Department . . . 1986: promoted to Senior Industrial Economist . . . 1987: Lead Economist, Country Operations Division, Country Department I, EMENA.

Manuel E. Nuñez
Peruvian national, promoted to Manager, Division II, IFC's Department of Investments, Latin America and Caribbean II, effective July 1.

1979: Joined the LAC II Department as an Investment Officer, with assignments in Divisions I and II . . . 1984: promoted to Senior Investment Officer.

Michel J. Petit
French national, named Director, Agriculture and Rural Development Department, PPR, effective August.

1968: Professor at the Ecole Nationale Superieure des Sciences Agronomiques Appliquées (ENSAA), Dijon, France . . . 1975 to 1977: leave of absence from ENSAA to serve as Program Adviser to the Ford Foundation in India, managing the Foundations's program for Agriculture and Rural Development . . . 1983 to 1984: leave of absence to join the International Food Policy Research Institute (IFPRI) in Washington, D.C., as a Visiting Research Fellow . . . has served as President of the International Association of Agricultural Economics since 1985 and prior to that was President of the European Association of Agricultural Economics.

Everett J. Santos
U.S. national, promoted to Director, IFC's Department of Investments, LAC II, effective July 1.

1974: Joined IFC's Legal Department . . . 1981: transferred to LAC Region as Senior Investment Officer . . . 1983: Chief Special Operations Officer, Special Operations Unit, IFC . . . 1985: Divisional Manager, Department of Investments, LAC II, Division I.

James A. Socknat
U.S. national, appointed Chief, Education Division, Technical Department, Africa Region (where he has been serving as Acting Chief since the Bank's reorganization), effective May 16.

1976: Joined Bank as Manpower Specialist, Technical Assistance Division, EMENA Projects Department . . . 1980: promoted to Senior Manpower Specialist . . . 1986: promoted to Principal Economist of the EMENA Education and Manpower Development Division . . . 1987: Deputy Chief, Education and Manpower Development Division, Eastern and Southern Africa Projects Department.

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Senior Staff Appointments *continued*

Vivek Talvadkar
Indian national, named Manager, Division I, Department of Investments, Latin America and Caribbean II, IFC, effective July 1.

1976: Joined the Bank as a Young Professional . . . 1977: Financial Analyst, East Asia and Pacific Department . . . 1980: transferred to IFC as Investment Officer, Department of Investments, Latin America and Caribbean II . . . 1983: promoted to Sr. Investment Officer . . . 1984: transferred to Department of Investments, Asia . . . 1986 to 1987: Special Assistant to Mr. Conable . . . 1987: Manager, Division II, Department of Investments, Latin America and Caribbean II, IFC.

Sweder Van Wijnbergen
Dutch national, named Lead Economist (Mexico), Country Operations Division, Country Department II, LAC, effective August 1.

1980: Joined the Bank's Development Research Center as an Economist . . . 1984: for six months, was a Visiting Professor at the University of Warwick, U.K. . . . returned to Development Research Department, Public Economics Division . . . 1985: promoted to Senior Economist, transferring to the Trade and Adjustment Policy Division, Country Policy Department, OPS, a few months later . . . 1986: reassigned to the Macro Economics Division, Development Research Department . . . following the reorganization, he was named Principal Economist, Trade and Finance Division, Technical Department, EMENA.

Attention Retirees

If you have recently retired, or will soon be retiring, from the Bank/IFC, and would like your photograph and a notice of your retirement to appear in *The Bank's World*, please contact us at (47)7-4686. Otherwise, we do not always receive the information.

New Staff Members

Christine Adoteye
Ghana
Secretary/IFC/6/13

Miriam Allen
United States
Secretary/LAT/6/27

Abiola R. Backus
France
Secretary/AFT/6/20

Pilar Basilio-Bhatia
Canada
Planning & Budgeting Off./ASI/7/1

Richard Beardmore
Canada
Urban Planner/AF2/6/27

Paul Beckerman
United States
Economist/LA4/7/11

Solomon Bekure
Ethiopia
Livestock Specialist/AFT/7/5

Pierre-Marie Boisson
Haiti
Investment Officer/IFC/7/5

Phillipe Callier
Belgium
Financial Economist/EDI/7/5

Carolina Camacho
Spain
Secretary/IFC/6/13

Maria Dalupan
Philippines
Research Analyst/FIN/7/1

Alfredo Dammert
Peru
Industrial Economist/LA4/7/11

Vinit Dhadasih
Thailand
Investment Assistant/INV/7/1

Joseph W. Gilling
Canada
Senior Energy Economist/IEN/6/27

Francois J. Grossas
France
Investment Officer/IFC/6/13

Seiko Hirano
Japan
Staff Assistant/EDS/7/1

Diane D. Hopkins
Canada
Mgmt. Systems Analyst/ITF/6/27

Sidi C. Jammeh
The Gambia
Economist/AF5/7/11

Palghat Kumar
India
Investment Assistant/INV/6/20

Naima Mansur
Pakistan
Accountant/CTR/7/15

Abderrahmane Megateli
Algeria
Sr. Financial Analyst/LAT/6/13

Samathavan Meyanathan
Malaysia
Training Officer/EDI/6/29

Daikichi Momma
Japan
Exec. Dir.'s Assistant/EDS/6/24

Rozena S. Ochoco
Philippines
Secretary/SPR/6/27

Alka Pandit
India
Secretary/IFC/6/20

Ann Pasco
United Kingdom
Secretary/IFC/6/13

Dalip Pathak
United Kingdom
Investment Officer/IFC/6/20

Ib Petersen
Denmark
Exec. Dir.'s Assistant/EDS/7/1

Sudhir Rajkumar
India
Young Professional/YPP/7/1

Kannan Ramaswamy
India
Mgmt. Info. Analyst/CTR/7/15

Fernando M. Saldanha
Brazil
Economist/EMT/7/5

Bernard M. Salome
France
Economist/AFT/7/1

Mahesh Sharma
India
Energy Economist/EMN/7/1

Roger Silk
United States
Investment Officer/INV/7/1

Marta L. Torres
United States
Secretary/SEC/6/20

Cesar Totanes
Philippines
Financial Analyst/CTR/7/15

Alfred J. Watkins
United States
Economist/SPR/6/24

The Observer

Salaries, Training, and Things Best Left Unsaid

by Frank Vogl

Salaries—could anything be more controversial? I understand the reasoning behind the latest pay decision, and feel that some of the Staff Association numbers were off the mark (in fact, on an increasing number of things, I wonder these days about SA conclusions... It takes me back to my days on Fleet Street when life was governed by the language of the class struggle and the seemingly endless confrontations between unions.)

There are dozens of different aspects of current pay policy that one could discuss, but I feel particularly crummy about the situation of those top-flight secretaries who are in a salary bracket that virtually eliminates them from more than a token pay raise.

It could be that top secretaries make less in the U.S. Government or in plush D.C. law firms. And as I glance at advertisements in U.K. newspapers, it strikes me that salaries in London are well below our levels, even as housing prices there are double those of Washington. However, one is bound to feel wretched as a manager when all one can give in the way of a pay raise to a tremendous, dedicated, self-driving, super secretary, is a fistfull of dollars, simply because her past accomplishments have already brought her to the top, or over the top, of her pay range.

I do not see any easy solutions, and I am delighted that this particular issue is being studied. People with good suggestions ought to write to the person with arguably the toughest job in the Bank these days, VP Personnel Bill Cosgrove. Bill has established a committee to look into a whole array of support staff issues, including compensation. I'm confident he will come up with some creative ideas. After all, just like me, he once did a course at the Center for Creative Leadership (CCL) in North Carolina.

Which leads me to the next subject: management training.

Going full steam

It was almost five years ago when a plan was set to push all managers through an intensive set of training programs. What evolved at the Hidden Valley courses is now going full steam: a series of training seminars for division chiefs and above. These are held in the Pennsylvania mountains and spread across three weeks. In the early days of these courses, one heard rave reviews. But of late, the feedback seems to be far more mixed.

Some managers seem to feel that the courses move too slowly and that three weeks is simply too long. Others complain that they find it difficult to apply much of the Hidden Valley theory to the realities of everyday Bank life. On the other hand, it seems unanimous that the courses enable fellow managers to get to know one another, form informal networks and, as a result, find helpful ways to cooperate with each other.

My own schedule was such that I only managed to attend the first two weeks of the course, and I discovered that few directors managed to complete the full training. To date, no Vice President has either.

Short courses may prove to be useful supplements, and I can certainly vouch for the superb five-day sessions run by CCL—great stuff that brings to life some very basic lessons about involving staff in project planning, in making feedback work, in motivating colleagues and setting goals, and learning just how one comes across to staff as a manager. Just the things, perhaps, that are of value in today's Bank.

"Unforced error"

Tennis commentators have invented the phrase "unforced error," which somehow manages to both excuse bad players of stupidity, while giving no credit to their opponents for piling on the pressure. I'm sure it won't be too long before this phrase becomes widely used outside of tennis. I can just see myself telling Barber Conable that Hobart Rowen of the *Washington Post* gave him a bad write-up because of "an unforced error." Imagine a bright loan officer declaring to the Board that "unforced errors" caused the cancellation of loan negotiations!

The origin of this column is not from an "unforced error" although I sometimes wonder about this when I see the mail I get. This column was launched in a moment of carefree abandon. I didn't expect anonymous hate mail, nor firmly stated demands by acquaintances to "spice up the gossip."

So let me say this now: *The Observer* will not bow to the pressures. It will not print the names of all the Mercedes and BMW owners in the Bank who complain about low salaries, or cite the executives who, over ambassadorial dinners on Massachussetts Avenue, hint that bolder Bank debt strategies are in the offing, or rat on those members of the staff who find the "spare time" to develop substantial businesses of diverse types. Or, for that matter, reveal the names of the reporters who have brought all of these matters to my attention.

AnswerLine

The purpose of this column is to answer questions of broad interest concerning the World Bank/IFC's policies and procedures. Please include your name and room number so that we can send you the answer to your question, even if it is not selected to appear in the magazine. Your confidentiality will be protected and your name will not be submitted to the manager from whom an answer is sought. An anonymous question can only be answered if it is of sufficiently broad interest to be included in the magazine. Send your questions to: Answerline, The Bank's World, *Rm. E-8043.*

Editor's Note: The following question is a follow-up to a previous question on the subject, which appeared in the July issue and was submitted by the same reader, who wishes to pursue the matter further.

Question: It may be true that 80 percent of "training" is held at Headquarters, but in fact my question relates precisely to "intensive courses" in which "the key component of a seminar is the exchange of experiences and ideas among participants in an informal atmosphere" which the reply asserts are more effectively handled "away from the workplace."

The question remains on what basis is this assertion made? Have we polled staff to determine this effectiveness compared with the alternative? And, even if staff are polled and say that this is desirable, the question remains, objectively, is it cost-effective?

Have "studies" established that this expensive and rigid structure is highly desirable or essential for these seminars? It is assumed that holding seminars outside the Bank is significantly "better." Of course it is usually more pleasant—but is it really more effective? Our point is that this may be less obvious than it seems when one considers that attendees or potential attendees must make an "all or nothing" decision on attendance—something which is often neither necessary nor desirable—as well as paying dearly for the external facilities. What we would like to see—and I should mention that this subject has arisen at all three one-day seminars outside the Bank which I have attended in the past year or so—is a serious survey on a case by case basis of exactly what are the perceived advantages/disadvantages of these outside seminars compared to in-house facilities and, probably, a more selective use of outside facilities instead of our own.

Answer: Training seminars are held within the Bank facilities, in hotels located near the Bank complex, and in places which are one to three hours of driving distance from downtown Washington. Cost-effectiveness in relation to the objectives to be achieved is a major consideration in choosing the location, but pedagogical and educational considerations are equally important in the choice of course modality. Other factors that influence such decisions include the importance of interaction and networking among the participants since a residential seminar provides extra time in the evening for lectures and group discussions. Each program is evaluated by participants. This data provides the Training and Management Development Division feedback to determine the effectiveness of residential programs including questions on location. This is a good alternative to "a poll." The reader, nonetheless, makes valid points. In the next several months, therefore, the Professional and Technology Skills Development Unit intends to closely monitor the data on residential seminar evaluations. *Joe Manickavasagam, Chief, PERTM*

Question: My office is in the E building, facing the IMF. Every two months or so, I notice the IMF gets its windows washed. My building has obviously not been honored by such a practice, and it's getting so my windows are too filthy to allow daylight to penetrate. What's going on here? Isn't cleanliness still next to godliness? Or is it next to impossible?

Answer: Normally all exterior windows in Bank-owned buildings are scheduled to be washed on a quarterly cycle. Due to budgetary constraints, all window washing scheduled during the fourth quarter of FY88 (April through June 1988) was cancelled. Window washing in the "E" building was originally scheduled to be completed during April 1988 and is now scheduled for completion during July 1988. *Ralph Blackwell, Head, ITFFS*

Question: I happen to use a wheelchair and work in Rm. F-3000. The men's restroom is not accessible to me in the F building. Currently, I must use a restroom in the E building. This is not a particularly convenient or safe solution. Barriers in the E building make use of even those facilities difficult. As there are other mobility-impaired staff working in the Bank, are there any plans to convert any restrooms in the main complex to barrier-free facilities?

Answer: At this time, as the Bank explores the possibility of retrofitting the main complex, barrier-free design is one of the important issues being taken into consideration. Our newest building, the J building, is the Bank's best example and will be considered as a model in the creation of a barrier-free facility should the retrofit go forward. The Bank has every intention of complying with current codes to meet the needs of all its staff. In the meantime, recognizing the difficulty for some staff of working in an old, limiting environment, interim solutions have been and can be provided in individual situations where it is possible. *Yo Kimura, Manager, ITFFP*