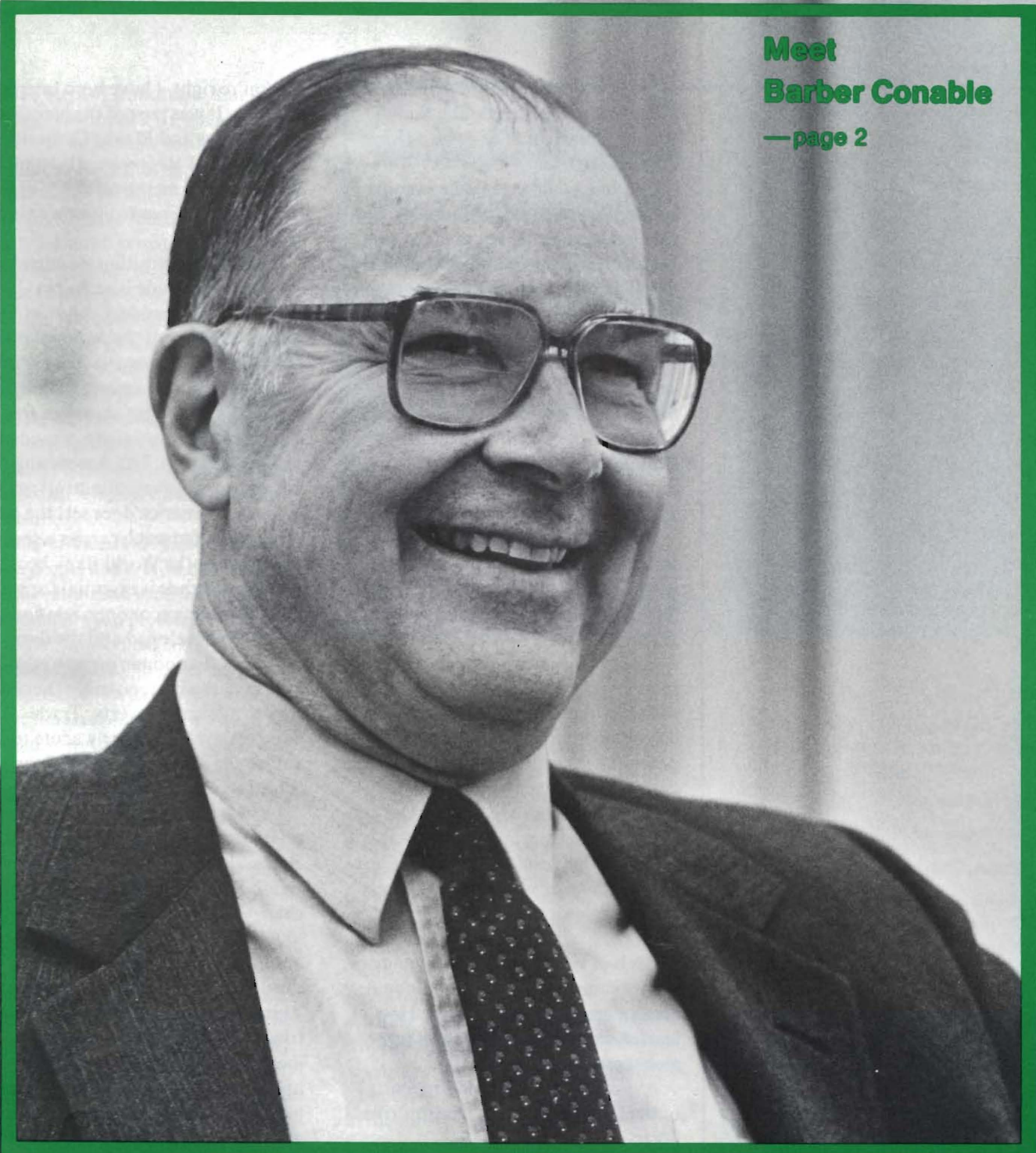


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VOLUME 5 / NUMBER 7 • JULY 1986

the Bank's World

Meet
Barber Conable
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COVER: Barber Conable, the new President of the World Bank and IFC.

Photo by William Spidle

Q&A with the New President

Meet Barber Conable

by Alan Drattell

A few weeks before Barber B. Conable became the Bank's seventh President, *The Bank's World* interviewed him.

Q: Mr. Conable, you take over the helm of the Bank at a crucial time, but, then again, each of your predecessors has had the same said when he joined the Bank. As you've thought about the Bank, what do you see as some of the crucial issues in the global economy?

A: You don't know what the crucial issues will be until they occur. Everything is interrelated nowadays, and, of course, the extent to which every country depends upon the global economy as a whole is usually underestimated by individual countries.

Most nations tend to think they control their own destinies to a much greater degree than they in fact do. Now, obviously, we have a fragile global economy—with a great deal of volatility in interest and exchange rates, in oil prices, and in all other variables that affect the economic relations of countries. And, so, we must proceed with caution and with a great deal of ingenuity. Third World debt, inadequate resources, widespread economic inefficiency, reverse capital flows and the resulting growth of poverty and hunger will occupy our best efforts in the coming years.

Q: Let's talk a little about trade, which is of vital interest to all countries and an issue in which you have long taken a great interest yourself. How fearful, for example, are you of growing global protectionism?

A: I'm fearful of it, and I'm fearful of the United States' role in contributing to it.

You're right, I have been interested in trade. It was part of the jurisdiction of the Ways and Means Committee of the House of Representatives, of which I was a member for 18 years. Trade issues pervaded that whole period.

Because constitutional control of international trade is vested in Congress and the President is not a free agent to represent the national interest except within the constraints which Congress always imposes in delegating trade powers to him, America frequently is too cautious in providing trade leadership. The American market is so large in relation to all others that what America does sets the pattern. Trade outreach carries a special meaning for the World Bank because the flow of trade is essential for stable and improving economic relations between the developed and the developing world. Economic growth is, in the long run, the best, possibly the only, way to alleviate poverty. Trade dampers are particularly acute today, and so the long-term goals of the World Bank are threatened.

Q: The scale of global poverty remains enormous, yet the scope of foreign assistance remains relatively small. How can this imbalance be changed?

A: I think we've got to be realistic about it, given the fiscal problems of the developed world. Like much of the Third World, many developed countries have been living beyond their means. Certainly, the United States has. We can't expect any quantum jump in bilateral aid or in the support of multilateral lending agencies, and,

thus, it's terribly important that we use what we earmark for such purposes wisely to encourage the kinds of economic growth that can reduce poverty and dependence.

In fact, we have reason to be concerned about the growth of poverty in the developing world. Many of the poorest countries have actually had a decline in per capita income in recent years. It should be a matter of concern not just for those who worry about political stability per se in the developing world but also for the developed world which ultimately is not going to prosper or be tranquil if half the rest of the world is hungry and suffering upheavals.

Q: Governments may understand, but the people don't. How can we convince the electorate in different countries that there is a problem?

A: The big problem is that politicians aren't willing to carry a burden of explanation. In Congress, we used to have a horrid saying: "If you have to explain anything you're in trouble." Obviously, if you think of government as providing benefits for people, domestic politicians are going to want to give priority to the benefits they provide to their own people, the people who elect them. But they hide in the short term, unwilling to explain the greater benefits of long-term peace and prosperity.

It's awfully important that people think about the extent to which we do depend on the rest of the world today. It's awfully important that America and other similarly blessed countries understand that they can't easily control the stability, the prosperity, and

'Working at the World Bank appeals to me because it's an institution that depends on cooperation in a confrontational world.'

—Conable



Photos by William Spidle

the willingness of other countries to accept their standards and their exports. This can be done in only limited ways.

Let me illustrate with an American reference. The most expensive and least effective way to influence the external world is to send the Marines ashore. The second most expensive way to do it is to engage in massive bilateral aid, which costs 100 cents on the dollar and which, frequently for political reasons, gets twisted by security type arrangements.

Probably the most effective way, in the long run, is through multilateral lending agencies, which multiply the resources that are available from the developed world and distribute them in the most even-handed and least expensive way.

Working at the World Bank appeals to me because it's an institution that depends on cooperation in a confrontational world. It seems to me that through the multilateral operations of the World Bank we can not only achieve the most effective use of resources but we can also symbolize a cooperation that most people, if they think about it, would prefer to confrontation or attempted isolation.

Q: You are the first former member of Congress to head the Bank. How do you think this experience will help you in your job as World Bank President?

A: I don't know. I don't have any illusions. This is going to be a very tough job for me both because the global economy is complicated and fragile and because it requires a degree of understanding that depends to a

certain extent on experience.

I'm not experienced in development or in banking, and those are two major elements in the job of being President of the World Bank. I have a lot to learn. I don't know why I was chosen. I assume it was because the people who were responsible thought I was used to working in the resolution of difficult problems through a large collective process and, therefore, that experience could be useful to the Bank.

Q: Having been in Congress, though, isn't that going to help you in dealing with that organization? You know what to do. You know the people.

A: Yes, but I don't have any illusions about vast reservoirs of personal good will that dry up fairly quickly once you leave such an institution.

I don't expect that my job is going to involve a lot of lobbying with the Congress, although I have some sense of how the Congress works after 20 years there. I will not be afraid to discuss the problems of the Bank with the members of Congress, but I would not overstate the importance of that. The Bank President must represent the Bank in many other forums than the Congress.

I told my wife I thought I would probably spend my next five years in meetings because there are so many

bases to be touched. I don't have any illusions that I can sit in my office and control the vast affairs of the Bank without human contact.

Q: With more than 6,000 employees in the organization, getting to know your staff is a big undertaking and an important one. How do you plan to accomplish this goal?

A: By as much human contact as possible. At least that's one thing politicians are used to. An American Representative in Congress is very actively involved in dealing directly with individuals, groups, colleagues, and with those who may be on the other side of the various disputes that arise. In other words, it's a very human kind of an activity, and if I err as Bank President it will probably be on the side of spending more time with people than I should—being too accessible.

One thing is apparent and that is that the Bank has a tremendous reservoir of talented people. It's a privilege to be associated with the skills, the broad experiences and the interesting personalities that are bound to be brought together in an institution like the World Bank. So I hope I'll benefit from widespread contact with the people here.

Q: I'd like to ask you about your

family, if I may. I understand your wife's name is Charlotte and you have four children. Is your wife looking forward to returning to Washington? And what do your children do—are they involved in politics?

A: Yes, my wife likes Washington. We had the usual condition among congressional families. The congressman has to keep his window open to his constituency and rushes off every weekend to show the flag and reassure the folks that someone is tending the shop down here. The wife has to be the mother and father and has to raise the kids, and inevitably in that process winds up identified with where she and they live to a greater degree than the husband does.

I was very happy in Western New York where my roots go deep. My wife was reconciled to going back there after I retired from Congress. I notice a certain spring in her step now that she's back in Washington. It's not Potomac Fever as much as it is a desire to do useful things, interesting things, and she became inevitably involved with lots of organizations here which could not be duplicated in Western New York.

I'm grateful she's pleased with the change because it is a major disruption moving back to Washington. We had thought we were rustivating permanently, about which I was cheerful. She had accepted it, but I think she's more pleased to be back in Washington.

My wife is an interesting person. She worked five years on the staff of George Washington University. She's written a good book about the education of women, "Women at Cornell: The Myth of Equal Education." She's currently very interested in the problems of the aging, having served on the Federal Council on the Aging and as an officer of the International Association on the Aging.

She ran workshops at the Women in Development conference in Nairobi (July 1985) and also attended the previous Copenhagen conference on women. She's a thoughtful, involved kind of a person who will in the World

Mr. Conable's Bio in Brief

Barber B. Conable, the Bank's new President, brings to his job a great deal of legislative experience, having represented his Western New York State district in the U.S. House of Representatives for 20 years.

While in Congress, he was the ranking Republican on the House Ways and Means Committee for many years. He also served on the Joint Economic Committee, the Budget Committee, the Joint Tax Committee, and the Ethics Committee. He was considered an expert on U.S. tax policy and a proponent of free trade.

He also served on four Presidential Commissions—Private Sector Initiative, Social Security Reform, Chemi-

cal Warfare Review, and the Presidential Blue Ribbon Commission on Defense Management.

After Mr. Conable retired from the Congress in 1985, he was a Senior Fellow at the American Enterprise Institute and a Distinguished Professor of Political Science at the University of Rochester (New York). He also served on the Boards of Directors of a number of major U.S. corporations and the New York Stock Exchange.

A graduate of Cornell University with an A.B. degree and an LL.B., he was Editor of the *Cornell Law Quarterly*. He practiced law in Buffalo and Batavia, New York, prior to public service. ■



A. W. Clausen (left), outgoing President, with Barber Conable who assumed his duties as President July 1.

Bank environment find many interests and be an active participant. I'm very proud of my wife.

As for our children, three of the four—my married daughters—live within 10 miles of our home in Alexander, New York.

The oldest, Anne Conable, is one of the top staffers of Studio Arena Theatre in Buffalo. She's married to a professional actor, Peter Umbras.

My second daughter, Jane Conable Schmieder, works for Planned Parenthood of Western New York as a counselor. Her husband is a civil engineer.

Emily Conable Vaughan and her husband were successfully involved in the theater in New York. They became fight specialists, training stage fighters, particularly for television soap operas. My daughter was originally a dancer. They are now working at an historical museum in Western New York.

My son, Sam, the youngest Conable, lives in Orlando, Florida. He's a good natural artist, and he's going back to school for that.

Q: One of your major interests is American Indian history. In fact, we understand you are considered an expert on this subject. How did you get interested in it, and what is it about this subject that has retained your commitment to it?

A: I wouldn't overstate that. I'm interested in history. You know, you can't be in the American Congress for 20 years without developing a respect for history.

I found as a hobby that sometimes it was relaxing and stimulating and instructive to retreat into another century. But it was only a hobby. I would not claim to be an anthropologist or historian. Perhaps I'm more a dilettante in these areas.

As for the Indian side of it, as a little boy I started looking for arrowheads in the fields I roamed in in Western New York. You couldn't find these interesting artifacts without wondering what the people who made them were like, how they lived, and so forth.

I am a life member of the New York State Archeological Association and

for some time gave speeches to historical societies around Western New York State about the history of that area, not just the Indian history, but the early Colonial era.

During the period of time I was in Congress, I found that I enjoyed continuing study. I have a large collection of antique books, particularly about the early history of the Northeastern United States. And I read quite a bit. I like to read.

I have literary, musical, poetic and historical interests, and Indian history is only one hobby. It's led me into some trouble, though. For a couple of years I have been Chairman of the Board of the Museum of the American Indian in New York City, the largest ethnological collection in the world, but a troubled institution that's taken a lot of my time. I consider it important to try to help preserve the heritage of the American Indian, which is quite fragmented and somewhat neglected in this country for reasons that are not clear to me. So, it has become a labor of love to some extent to try to help maintain this important institution.

Q: Many Bank staff are wondering, what kind of a man is Barber Conable? How do you describe yourself?

A: A pretty ordinary fellow. I find it difficult to picture myself in the role of President of the World Bank, to tell you the truth. I told Jim Baker (Secretary of the U.S. Treasury) when he asked me if I would accept the nomination for Bank President that I was totally unqualified, and his response was, "Barber, from you I'll take that as a promise to break your tail to do a good job."

My experience, as you can see, is somewhat limited. But I have a wide range of interests. I feel I am moving into the greatest challenge of my life. At age 63, that challenge seems somewhat greater than it might be if I thought there were many other challenges to follow. But my health is good. My energy is fairly strong. And I know I'll have the assistance of a lot of the good people in the Bank whose help I'll need. ■

Daniel Defoe: The First Project Policy Analyst?

by Robert Picciotto

Project analysis is often thought to be new. Yet, it was in 1697 that Daniel Defoe, then accountant to the Commissioners of Glass Duty in London, published "An Essay Upon Projects." The Essay was reissued in 1700 and again in 1702, under the title "Essay Upon Several Projects." It was Defoe's first important publication, and a seminal one. It presaged the advent of the enlightenment credo combining self-reliance, individualism and social responsibility. Benjamin Franklin greatly admired it.

Defoe is, of course, best known for the "Life and Strange Surprising Adventures of Robinson Crusoe" (1719), considered by some critics to be the first true novel in English. Defoe has also been called the father of modern journalism; from 1704 to 1713 he wrote and published single-handedly *The Review*, a nonpartisan periodical concerned with European business and politics.

Apt Advice

The style of the "Essay Upon Projects" is well summarized by the author himself: "I have endeavored to be as concise as possible, except where calculations obliged me to be particular . . . choosing . . . to have it free and familiar, according to the nature of the Essay, than to strain at a perfection of language, which I rather wish for, than pretend to be a master of." Apt advice for Bank staff from a versatile and prolific writer.

Defoe goes on to describe the keen interest of his contemporaries in "projecting and inventing as it refers to matters of negoce and methods of civil polity" as a response to unsettling change. From his perspective, inven-



Daniel Defoe, from an engraving.

tion occurs out of necessity and "out of the losses and degradations which war brought, the weight of this loss falling chiefly on the trading part of the nation . . . and amongst them on the merchants who, prompted by necessity, rack their wits for new contrivances, new inventions, new trades, stocks, projects and any thing to retrieve the desperate credit of their fortunes." Defoe himself, who started out as a hosiery merchant, went bankrupt in 1692 and later became involved in a variety of dubious business ventures (the breeding of civet cats, marine insurance, a brick works).

Thus, Defoe views risk as an integral part of the "projecting" enterprise. But he also considers it "necessary to distinguish among projects between the honest and the dishonest. There are, and that too many, fair

pretenses of fine discoveries, new inventions, engines and I know not what, which being advanced in notion, and talk'd up to great things to be performed when such and such sums of money shall be advanced that merely on the shadow of expectation, people have been betrayed to part with their money for shares in a New-Nothing . . . But this is no reason why invention upon honest foundations and to fair purposes should not be encouraged, no more why the author of any such fair contrivances should not reap the harvest of his own ingenuity."

Hence, the need for careful project assessment which must start with an evaluation of the character of the project sponsor, distinguishing between the "mere projector . . . driven by his own desperate fortune" and the "honest projector . . . who having by fair and plain principles of sense, honesty and ingenuity . . . makes out what he pretends to, picks nobody's pocket, puts his project in execution and contents himself with the real produce, as the profit of his invention."

Private incentives, as well as public policy concerns, are kept in view throughout the Essay. At the outset, Defoe makes "a difference between improvement of manufactures or lands which tend to the immediate benefit of the public and employing the poor; and projects fram'd by subtle heads, with a fort of *Deceptivus* and *legerdemain* to bring people to run needless and unusual hazards."

The First Project

To those who fear and decry project failures, Defoe notes that Noah's Ark was "the first Project I read of; and no question seemed so ridiculous to the graver heads of that wise though wicked age, that poor Noah was sufficiently bantered for it, and had not been set on work by a very peculiar direction from Heaven, the poor old man would certainly have been laughed out of it, as a most senseless ridiculous Project."

And the Essay goes on: "The building of Babel was a Right Project; for

indeed the true definition of a Project, according to modern acceptation, is... a vast undertaking, too big to be managed and therefore likely enough to come to nothing; and yet as great as they are, 'tis certainly true of 'em all, even as the Projectors propose, that according to the old tale, if so many eggs are hatched, there will be

so many Chickens..."

Among the interesting "project briefs" included in the Essay are the creation of country development banks, the setup of a national program of highways construction and maintenance (with full cost recovery) as well as the construction of a higher education academy for women (in-

cluding a basic outline of its architectural design and curriculum). The Essay also includes institutional development proposals in the fields of taxation, cooperative development, lotteries and bankruptcy laws. Then, as now, projects work was an innovative, complex and comprehensive endeavor. ■

WDR: Agriculture Is Critical to National Growth

Developed and developing countries can sustain growth similar to that experienced in the 1960s, but to do so they must make a commitment to policy reform and a reduction in international trade restrictions.

This assessment of global economic prospects is contained in Part I of *World Development Report 1986*, published earlier this month. The Report, the ninth in the annual series assessing development issues, examines in Part II worldwide policies in agriculture and contends that the experience of decades suggests that a healthy agricultural sector is critical to national growth. It suggests that unimpeded trade in agricultural goods can make as large a contribution to the growth of the world economy as the trade in manufactured goods.

But the Report notes that government interventions are almost universal. "What is most surprising is the fact that it is the developing world



Harvesting tomatoes in Mexico.

Photo by Yosef Hadar

which, on the whole, discriminates against its farmers, even though they account for large shares of gross domestic product (GDP) and export earnings. And it is the industrial countries which provide subsidies to agricultural production, even though their farmers account for small shares of GDP and employment." Bias against agriculture in developing countries is exacerbated by the high levels of protection in the industrial ones.

Policy Reforms

Although recent declines in interest rates and oil prices are likely to provide a stimulus to the world economy, the Report observes, further policy reforms at both the domestic and international levels are essential to take full advantage of this stimulus.

At the same time, it is apparent that some developing countries—particularly the heavily indebted oil exporters and some of the low-income African countries—will continue to face a difficult period of adjustment in the near term. Slower growth in world trade, weak export prices, and the continued decline of net capital inflows confront all developing countries.

The WDR presents two possible

scenarios for the world economy in 1985-95.

In the "high case," real GDP growth in the industrial countries averages about 4.3% annually and 5.9% in the developing countries. In the "low case," the corresponding figures are 2.5% and 4%.

Reducing Price Distortions

For industrial countries, the policies needed to achieve the growth rates in the high case involve instituting stable monetary and fiscal policies, reducing price distortions, and introducing more flexibility into labor markets. Internationally, a concerted effort to reduce trade restrictions would be needed to increase world trade.

For developing countries, structural adjustment measures should focus on changing institutions and incentives.

"The pricing and trade policies that industrial and developing countries follow will have a great effect on the pace of future growth in rural incomes and the alleviation of poverty and hunger," the Report states. "At stake is the well-being of the hundreds of millions of very poor people in the world who depend on agriculture for their livelihood."

Most agricultural goods are traded in world markets, providing all countries with opportunities to increase their incomes by specializing in products in which they have a comparative advantage. But trade barriers in industrial countries have become more restrictive, and most developing countries pursue policies that inhibit the growth of agricultural output, the WDR points out. Industrial countries tend to support domestic production and thereby inhibit imports and encourage exports. Developing countries tend to tax agricultural commodities and thus encourage imports and discourage exports.

The Team

Anandarup Ray led the team that prepared this year's WDR. The team includes Trent Bertrand, Ajay Chhibber, Bruce Gardner, Orsalia Kalantzopoulos, Odin Knudsen, Donald O. Mitchell, Alan Walters, John Wilton, and L. Alan Winters, assisted by Therese Belot, Zohreh Hedjazi, M. Shahbaz Khan, Donald F. Larson, Tani Maher, Yasmin Saadat, Rodney Smith, and Robert Wieland. D. Gale Johnson and Ulrich Koester were among those who provided helpful comments and contributions.

The Economic Analysis and Projections Department, under the direction of Jean Baneth, supported the work on Part I. Enzo Grilli, Peter Miovic, and Heywood Fleisig coordinated the work of that department on projections.

Others involved in gathering information and producing the document included Ramesh Chander, David Cieslikowski, Elizabeth Crayford, Shaida Badiie, Joyce Eisen, Pensri Kimpitak, Victoria Lee, Rhoda Blade-Charest, Banjonglak Duangrat, Jau-nianne Fawkes, Carlina Jones, Patricia Smith, and John Parker.

The work was carried out under the general direction of ERS Vice President Anne O. Krueger and Director of Economic Policy Analysis and Coordination Constantine Michalopoulos.

The Relevance of the Corn Laws

English Economist David Ricardo was one of the first to analyze formally the benefits of free trade, according to one of the 46 boxes that appear throughout *World Development Report 1986*. His arguments against the early 19th century form of agricultural protection, Britain's so-called Corn Laws, are as relevant today as then:

- "(The price of) corn is not high because a rent is paid, but a rent is paid because corn is high."
- "The sole effect of high duties on the importation, either of manufactures or of corn, or of a bounty on their exportation, is to divert a portion of capital to an employment which it would not naturally seek. It causes a

pernicious distribution of the general funds of the society—it bribes a manufacturer to commence or continue in a comparatively less profitable employment. It is the worst species of taxation, for it does not give to the foreign country all that it takes away from the home country, the balance of loss being made up by the less advantageous distribution of the general capital."

- "The market price of corn would, under an increased demand from the effects of (an export) bounty... be raised. By a continued bounty, therefore, on the exportation of corn, there would be created a tendency to a permanent rise in the price of corn, and this... never fails to raise rent."



Thinking about Your Future

by Alan Drattell

The Career Information Center, which opened its doors to staff in March after several months of piloting and fine tuning its services among a varied group of Bank/IFC people, is successfully getting individuals to think about their careers.

The CIC is the result of the Attitude Surveys which have pinpointed the need for management to become more concerned with career development.

There are some things the CIC does not do. It does not provide jobs. It does not give information on vacancies nor try to identify candidates for jobs. And it is not a psychological counseling service.

Program Does 4 Things

According to Charles Kramer, Manager of the Career Information Center, Training and Development Division, Personnel Management Department, the CIC program does four things:

(1) It helps you focus on your career situation and understand what it means to pursue or change a career by addressing both today's work realities and your own aspirations, values, interests and motivations in your professional life.

(2) It provides means and instruments to aid self-evaluation of your skills, know-how, experience, strengths and weaknesses.

(3) It facilitates access to information about Bank/IFC streams, position requirements, qualifications and descriptions, staffing processes and trends.

(4) It guides you in planning your

career according to your own preferences by means of a confidential, non-prescriptive, personal career discussion.

"Since March," says Mr. Kramer, "45 to 50 staff at levels 14 to 26 have been coming each week to our orientation presentations. We ask them to be prepared to commit time, energy and intelligence."

Following the orientation meeting, participants can opt for the next step or steps: a career workshop or using a self-assessment exercise, called DISCOVER, on a computer, or meeting with a career research analyst.

In the workshop, people participate in a discussion with CIC staff about career issues and exploration. "The three-hour session can also provide some individual planning advice," says Mr. Kramer.

DISCOVER is a user-friendly computerized self-assessment exercise. "You don't need computer operating experience to do this exercise," Mr. Kramer says. "CIC staff will show you how to do it." DISCOVER sessions cover three one-hour periods on average, and Mr. Kramer adds that "it will not work miracles; it will not find you a job; it will give you some food for thought."

Charting Your Path

If you've already charted your career path, CIC can help you research data about specific Bank/IFC careers. "This service," explains Mr. Kramer, "is available only to staff who already know exactly what specific Bank/IFC positions they need to investigate."

Overall, noted Mr. Kramer, "we will not get anyone a job, but we'll talk to them about strategies for getting a job."

"In addition to the individual and confidential services offered to staff, the CIC conducts special programs for managers and supervisors. We also take part in divisional retreats and provide support to units in planning careers."

A number of people who have used the CIC agreed to talk to us.†

'The Big Picture'

When asked if CIC was of any benefit to him, an Investment Officer in IFC said: "It helped me. It gave me a profile of various areas in the Bank and IFC to give me an opportunity to see the potential of what's available. DISCOVER pointed out some of the career paths open to me. DISCOVER lets you step back and look at the big picture of yourself and to see what things you can do and what you can't do, and what's entailed in a career move.

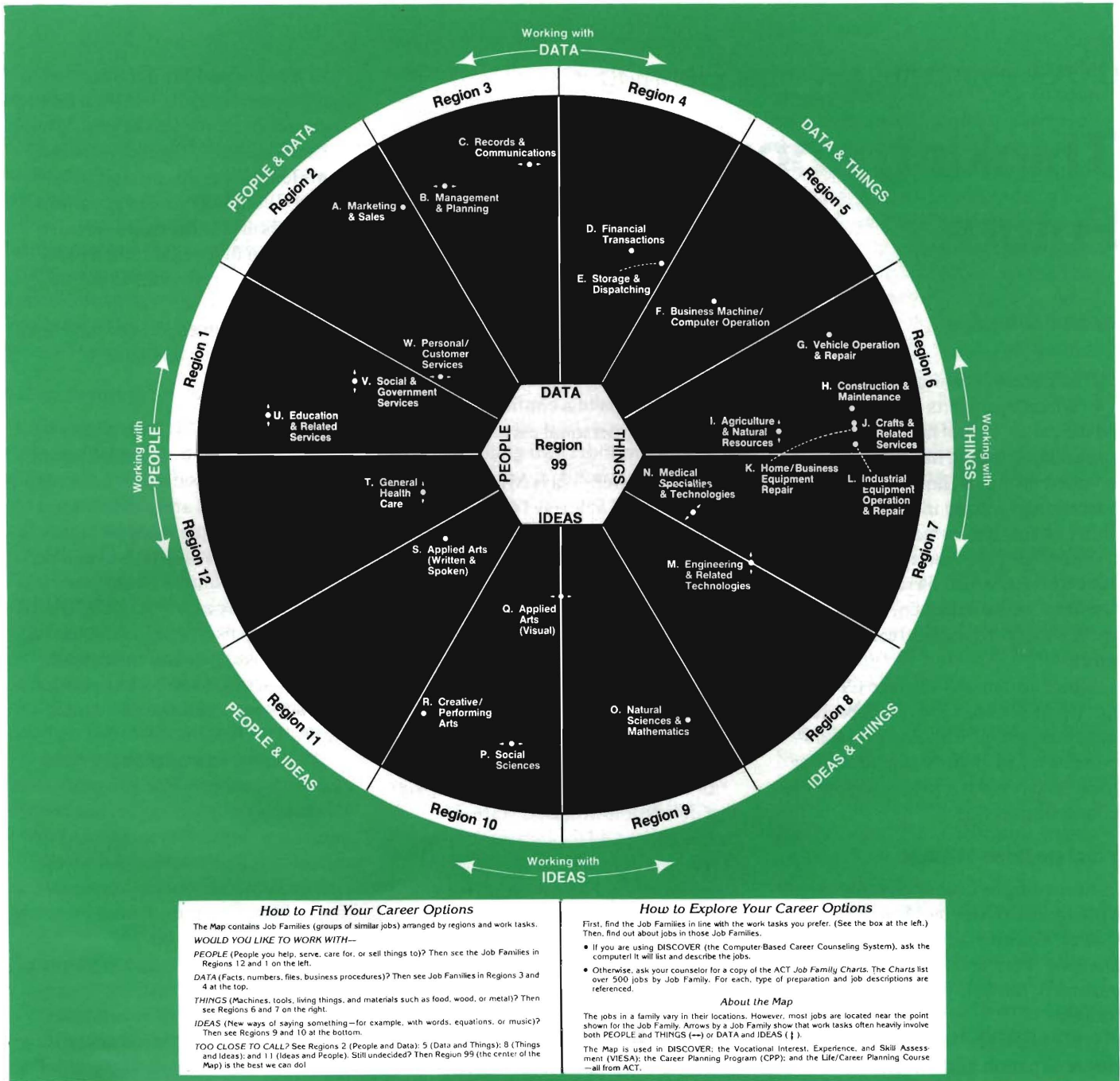
"I've come to realize that I need more information. The program shows people if they are prepared enough for a move. The program is designed to get you thinking of where you want to be and what your next move should be. I need more information before I can go on.

"I think CIC is enormously worthwhile."

A Research Analyst noted that "CIC is not for people like me who know what career path they want. I'm an economist by trade, and I'm doing my Ph.D. now. It was good to talk to the CIC people, however. I think people who don't really know what to do insofar as a career is concerned would benefit more from CIC."

An Agriculturist had this to say: "There is a great need in the Bank for

†Since participation in the CIC is confidential, *The Bank's World* asked Charles Kramer, the CIC Manager, to select people who might be willing to talk to us. He contacted them first and then provided us with a list of those who consented. A proviso was that we not use names when quoting individuals.



this organization. It creates for staff a kind of safety valve. It is anonymous. You can talk with people about your options.

“A career stream is not always realistic or feasible, particularly for a specialist. So, sometimes you feel stranded. In order for staff to evaluate themselves, CIC can give a comparative answer. Quite a few technical people would like to know, ‘Could I get out?’ If the Bank looks positively at its staff then it would also realize that

some people here, say after 10 to 15 years, with knowledge and experience gained would make good salespeople for the Bank by working in other organizations.

“I did the DISCOVER program. It’s very good in itself, but it is written for non-Bank generic positions. With specialists, I find the Bank still has a different frame of mind when it comes to encouraging diversification. I hope through the CIC streams descriptions can become more specific.”

Finally, a Staff Assistant said: “It’s the best thing since sliced bread. This is just the beginning. I want to see what management will do when staff comes to them and asks them what systems are in place. We’ll find more dissatisfied staff on their hands unless, instead of recruiting from outside, we give a chance to those inside to rotate into other jobs.”

If you’re interested in pursuing what the CIC can offer, contact the Center on Ext. 75724. ■

World Bank Operational Results— FY1986



Ernest Stern

Ernest Stern, Senior Vice President for Operations, met the press June 27 and discussed the Bank's operational results for FY86. Here are excerpts from a statement issued at the press conference and some of the questions asked and Mr. Stern's answers:

Loans and credits extended to developing countries by the World Bank in the fiscal year ending June 30, 1986 totaled about \$16.3 billion compared to \$14.4 billion in FY85. Loan commitments by IBRD totaled \$13.2 billion while IDA credits amounted to \$3.1 billion.

In addition, commitments from the Special Facility for Sub-Saharan Africa, which has not completed its first full year in operation, totaled \$782 million.

There has been a major emphasis in Bank/IDA lending to support countries undertaking major programs of structural or sectoral reforms. For example, IBRD lending to 10 middle-income, highly indebted countries undertaking such reforms (Argentina, Bolivia, Brazil, Chile, Colombia, Côte d'Ivoire, Ecuador, Mexico, Morocco, Uruguay) increased by 47% over last year, although overall IBRD lending grew by only 16%. Similarly, commitments by IDA and the Special Facility to 16 low-income African countries (Burundi, Equatorial Guinea, Ghana, Guinea, Guinea-Bissau, Kenya, Madagascar, Malawi, Mali, Mauritania, Niger, Senegal, Somalia, Togo, Zaire, Zambia) have increased by some 125% over the FY82 base, although concessional commitments to all countries have grown by only 15% over this period.

Total IBRD/IDA disbursements increased slightly from \$11.13 billion to \$11.37 billion. IBRD disbursements were \$8.15 billion; IDA \$3.22 billion.

Bank/IDA lending was provided through a wide variety of instruments tailored to specific country needs. Fast-disbursing adjustment lending, whether for structural, macroeconomic, or for sectoral reforms, comprised some 18.9% of total lending. A further 3.4% was in quick-disbursing emergency reconstruction operations, principally a \$400 million earthquake reconstruction loan to Mexico. Loans

financing investments in individual projects, in sectors or through financial intermediaries amounted to 76.3%. The balance was in technical assistance operations.

The sectoral distribution of lending was broadly similar to previous years, although lending for agricultural and rural development was slightly higher at 29%, while energy lending declined somewhat to 18%.

While the quantity of our lending is, of course, important, it is not an end in itself. Our objective is to assist our members to attain a sustainable level of economic and social development for all their people. And this hinges on the quality of the policy advice we provide, and the operations for which we lend, as well as our ability to help our members attract financing from other sources, public and private, in support of sound programs. The quantity of lending, therefore, is dependent on international conditions, as well as the ability of our borrowers to manage their economies effectively, to maintain policies which assure the efficient use of their resources, and to identify viable investment opportunities. We cannot lend unless we are satisfied that a loan is economically and socially viable and will contribute to enhanced growth and creditworthiness of the borrower. In FY86, some 228 individual operations (131 in IBRD loans and 97 in IDA credits) met these lending criteria.

Part of the question-and-answer session follows:

The Hindu: With this expansion in lending, where does the Bank stand with regard to a capital increase?

Mr. Stern: We have the assurances of all our shareholders that the expansion of the Bank's lending will not be constrained by its capital, and that translates into a general agreement that in the course of this calendar year we will begin to discuss the framework for a capital increase.

AP Dow Jones: What sort of projections for the coming year in loans—a 10% increase or what?

Mr. Stern: Since we will be in the last year of IDA 7, we are not projecting any increase in IDA availability. We estimate that about the same amount, \$3 billion, will be available. But the increase on the Bank side will be about 10%. A lending program of about \$15 billion is probable,

although we have a range which allows for downward fluctuations since the pace of the adjustment process in many of our countries and the timing of our adjustment lending cannot be predicted with any certainty. So, lending may be less than \$15 billion, but we have also advised the Board that if all things go well in all countries, we might exceed this level.

Visnews Ltd.: How effective do you think the Bank has been in assisting highly indebted countries, particularly Mexico and Brazil?

Mr. Stern: Well, I think Mexico and Brazil at the moment represent two separate ends of the spectrum. If you look at the highly indebted countries, it is, of course, clear that there is no single solution to their problems.

In the case of Brazil, it is doing very well indeed. It grew about 8% last year. Its exports this year are running well ahead even of its rapid growth last year. And, it has undertaken a major monetary reform.

A Substantial Trade Surplus

We believe that country is moving very effectively, and I would say the same thing is true in a country like Chile. Chile, for the first time since the debt crisis, is recording a substantial trade surplus. And, there is every indication that the adjustment program they have undertaken, supported by us, the Fund and the commercial banks, is proving very effective. I think you can say the same for Uruguay, Colombia and Côte d'Ivoire.

There are other countries, particularly the oil exporters, where the adjustment problems have been exacerbated by the oil price decline. It should come as no surprise that the adjustment period for those countries is going to have to be considerably longer if the oil price stays where it is. And that clearly is the case with Mexico.

The Mexicans are making a valiant effort to deal with the impact of that oil price decline, which has hit their domestic revenues substantially as well as led to the deterioration of their balance of payments. They have taken a lot of measures to restrict government expenditures. They have closed a steel mill, and are taking a hard look at public enterprises. They are working hard in trying to formulate a medium-term adjustment program to allow them to resume a rate of growth and to expand non-oil exports.

This is going to take longer in Mexico than we thought a year ago.

IPS: The ODC (Overseas Development Council) report claims that IBRD net disbursements are negative due to repayments. Is this true for this year? Will it be true next year? And what is the Bank going to do about it if indeed it is true?

Mr. Stern: There are two categories of numbers people talk about. One is net disbursements, which consists of our disbursement of funds minus the amortization payments, that is, the repayment by the country of principal on previous outstanding loans. And that certainly is not negative. We had total disbursements of over \$8 billion in FY86;

repayments are about half that.

But what I think you are referring to is not so much net disbursements, but net transfers, and that is a very strange animal which has no foundation in any analytical thought except political rhetoric, which deducts from disbursements not only the repayment of principal but also the repayment of interest.

It's a little like saying that if you take out a \$100,000 mortgage at 10% for 10 years, and you pay a bank \$10,000 *principal* the first year and \$10,000 *interest* the first year, that at the end of that year you only owe \$80,000. I don't think your bank would agree with that analysis.

It is true, of course, that to developing countries, the Bank and other institutions ought to be providing substantial inflows of capital which they need for their development, but that inflow of capital normally is measured not by net transfers but by net disbursements.

Now, even on net transfers the Bank is not in a net negative position with its developing country borrowers. Where the numbers that you mention are erroneous is that they take the Bank's total financial statement and derive the numbers from there. Those repayment numbers include the interest in repayments to us from former borrowers such as Japan, Australia, New Zealand, Finland, Ireland, and so on, to whom we stopped lending a long time ago, but even though we stopped lending to them, they still have loans outstanding which are gradually being repaid.

A Net Recipient of Funds

Second, those numbers also reflect the fact that there are countries which used to be borrowers from the World Bank, and these countries today either receive no Bank money, because they are not creditworthy, or receive a blend of Bank and IDA money, or IDA only. For those countries which now only receive concessional IDA funds, their repayments of earlier IBRD loans also show up in aggregate data which indicate that the Bank is a net recipient of funds.

If you take those two things out, and if you take out repayments from countries which haven't borrowed from us in recent years, our net transfers are certainly not negative to our currently active borrowers.

The Statesman of India: How do you reassure otherwise eligible borrowers that they are not being punished for success?

Mr. Stern: We tell them there is within the lending program of the Bank no constraint on resources that we know of in terms of the borrowers' own borrowing programs, and the identified lending opportunities. We have not in any country reduced lending programs for FY86 in order to accommodate the expansion of lending to the countries with adjustment programs. For instance, India remains our largest single borrower. And our lending program to China is continuing to grow. Our lending programs to Korea and Indonesia—countries where there are no adjustment programs or need for them—have either remained at their previous level or expanded. ■

Bugs and Bees

by Jill Roessner

Would you recognize a praying mantis's egg case if you saw one in your garden? If you don't know what they look like, you might throw one away when you're doing yard clean-up work in the fall. And that would be a pity because the praying mantis (*mantis religiosa*) is a useful insect that devours aphids and other garden pests.

"But they also eat butterflies, and even bees—which is a shame," says Arthur J. ("Jock") Carmichael, who spends many long summer hours studying the creatures. He refers to his notebook. "I watched some hatch May 25 last year, and by July 26 they were 3 inches long and eating two bees every 10 minutes."

When the retired World Bank Ports Adviser is not studying praying mantises, he may be found taking care of his bees. He's fascinated by birds too, and might start keeping homing pigeons next. But he's pretty much given up on guppies, although there was a time when he bred them avidly and sold them to pet shops all over the metropolitan area, as well as to Bank staff (who paid a special price of 1 cent apiece.)

A Lad in Scotland

It all began more than half a century ago when Mr. Carmichael was a lad in Scotland. He kept a hive and earned a little pocket money selling honey. "Back in those days, you'd get about eightpence ha'penny for a beautiful honeycomb," he says, the rich Scottish accent undiminished by nearly 30 years of living in the United States.

Bee-keeping gave way to studying engineering at Edinburgh University, then to the start of a career on Clydeside and the harbor of Glasgow, Scotland. That was soon interrupted by World War II (although Mr. Carmichael

managed to keep bees in India while serving there).

After the war, he took a job with the Port of London Authority. In his spare time—more bees. One of his objectives then—and now—is to improve the strain of bees. He bought bees from the monks at Buckfast Abbey in England and crossed them with his own to come up with a better species. He explains his fascination with the subject.

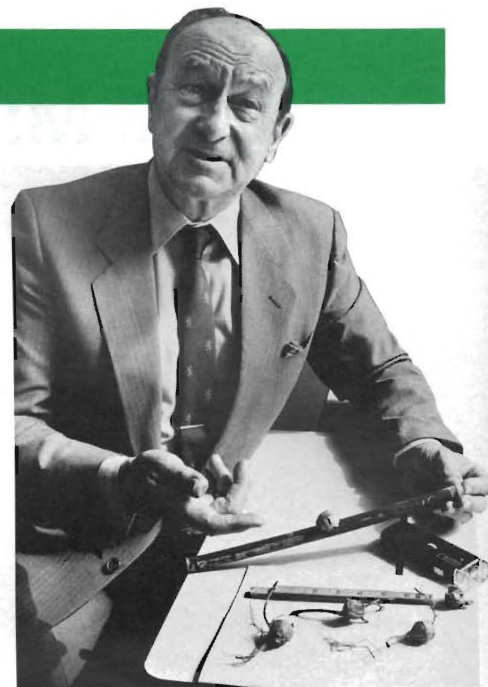
"Take wasps, for example," he says. "Wasps work harder than bees. They get started earlier in the morning. Can you cross a wasp with a bee and get an even more industrious bee? Queen bees can lay 3,000 eggs per day. Why not 4,000?"

Crossing Wasp, Bee?

Can a wasp be crossed with a bee? Mr. Carmichael says that virgin queens can be artificially inseminated, "so it may be feasible." He intends to find out. And when asked if that isn't a bit like "playing God," he counters, "Oh no, I'd never try to take over His job."

He continues to rattle off astonishing facts and figures, and some of his statistics sound typical of a former Bank staffer, especially when he talks about one bee flying 40,000 miles, from hive to flowers and back, to produce a pound of honey. It's a bit reminiscent of man-years and staff-weeks, but what it really comes down to is 40,000 bees, each flying one mile to produce that pound of honey. "There are 40,000 to 50,000 bees in a hive," he points out.

Isn't it a bit fickle of Mr. Carmichael to have developed a new interest in praying mantises, which, after all, eat bees—a lifetime passion? He chuckles: "The praying mantises eat many insects in my garden but don't eat *my*



Jock Carmichael shows some praying mantis egg cases, two of which are "live." The others are old and long abandoned by the mantis babies, so Mr. Carmichael has cut one in half to reveal the multitude of chambers, each of which once cradled a tiny mantis.

Photo by Michele Iannacci

bees," and it turns out he keeps his own hives some distance away at Cabin John where there are more flowers and flowering trees to supply nectar. Mr. Carmichael lives in the city, close to a main thoroughfare, but "at least in Washington, D.C., there is plenty of wildlife right in the middle of the city," he says, and you suspect that he could always find some living thing to study, even if it were only the humble ant.

"There just aren't enough hours in the day in the summertime," Mr. Carmichael states, adding that he also consults for the Bank when there's a challenging transportation project. "Fishing port projects are often interesting," he says, "and provide the infrastructure for increasing production of a relatively unexploited source of food." ■

Don't Tell M:

James Bond Joins Bank Staff

by Jill Roessner

"Bond eased off the bed and went over and examined the contents of the tray. He smiled to himself. There was a quarter-bottle of Bollinger, a chafing dish containing four small slivers of steak on toast canapés, and a small bowl of sauce . . . Bond filled a glass with champagne and spread a lot of the Béarnaise on a piece of the steak and munched it judiciously. Then he went to the telephone . . ."

from *Diamonds are Forever*
by Ian Fleming

Surely going through life with a name like James Bond is a tremendous advantage; never having to worry about getting reservations at the best restaurants ("but of course, Mr. Bond, for you I have a table, next to the window . . ."). Doors open, glamour and intrigue prevail, seductive women whisper delicious suggestions in your ear.

Actually, no. Economist James Bond, who joined the Energy Department June 16, says the name is more of a hindrance than an asset. For example: "A customs man's life is pretty dreary, but it's more fun if he can go home and say to his wife 'guess who I searched today?'" So, Mr. Bond gets more than his share of being stopped at customs. And, of course, the inspector will inevitably ask, "Carrying a gun, are you?" Mr. Bond will politely laugh and pretend he hasn't heard the question a million times before.

Mr. Bond is French, of English origin, and his English name is unusual in France where they pronounce it correctly. But that's about the only advantage. The disadvantages have included a telephone operator at a company where he worked, who simply refused to believe he existed. When colleagues telephoned, she would reprimand them, tell them to stop calling and point out that this was a serious office—then cut them off. Finally, a friend called Mr. Bond at home to tell him that he must convince the woman that he was real if he wanted to receive any calls.

And, if Mr. Bond was ever stopped for some minor traffic violation, the gendarme tended to think anyone with such a name might be a bit of a wise guy. He's had problems cashing checks too.

But Mr. Bond is used to the jokes and the smart remarks, and he takes it

all in good spirit. Yes, he does read the books and see the films—in self-defense if for no other reason. People expect him to be au courant with the exploits of his fictional namesake. Asked which screen James Bond he prefers, he responds, "Oh, Sean Connery definitely—Roger Moore's a softie." But he hastens to add that he doesn't identify with either.

The Bank's Mr. Bond, James P. Bond, had the name first, having been born a few years before Ian Fleming created the character. He is married with two children and his own son is named William.

What about the hordes of gorgeous women that one cannot help associate with the name? Mr. Bond says the only mysterious phone calls he gets are from "silly teen-age girls."

Wasn't being James Bond even an asset in his bachelor days? "Not really," he admits ruefully. "It would be a

bit difficult to live up to the image.”

We were disappointed that Personnel hadn't given Mr. Bond the appropriate staff number—or even a telephone extension—that included 007.

“I did have an office number 007 once,” he tells us. “It was purely accidental, and only for a brief period.”

Mr. Bond points out that people are really quite realistic. They can separate fact from fiction, and no one honestly expects him to be the daring, debonair, popular hero. His watch is for telling time, not taking secret photos, and his fountain pen is just that.

But still, when you talk to him on the phone and hear the British accent, it's hard not to have a mental picture of . . .

Oh, no, this is ridiculous. He's an economist, working at the Bank. It's not a coverup. He isn't single-handedly solving the sordid puzzle of some international crime that threatens our very existence.

Well, he *says* he isn't. ■



Photo by William Spidle

Art by Bill Fraser

Kingston Free Zone Means Jobs for Jamaicans

by Alan Drattell

Nelvern Williams is a “rock man.” He makes candy for a small U.S. company in Kingston, Jamaica. His job means a lot to him.

“It allows me and my family to stay together financially,” he says. “Without money we cannot eat or pay our bills.”

Mr. Williams, who is 35 years old, supports a wife and a child on his income of \$165 Jamaican a week (approximately US\$32), and he’s luckier

than many of his countrymen who don’t have jobs.

He was out of work for two months before he landed the position producing pure sugar peppermint sticks. “I was in woodworking before,” he says. He had never worked in a candy factory, but “I started this job because this is the only field that was available at the moment.”

And he’s happy. “I like the management, and I like my job. Especially

making candies is a pleasure,” he smiles.

Mr. Williams is one of about 6,000 Jamaicans who have benefited from the Kingston Export Free Zone Project. They are working in 17 companies located in the free zone. Seven are U.S. companies, four have Far Eastern owners, one company is Canadian, others are from Norway, India, Hungary and one from Jamaica.

They produce products from candy to garments to electronics.

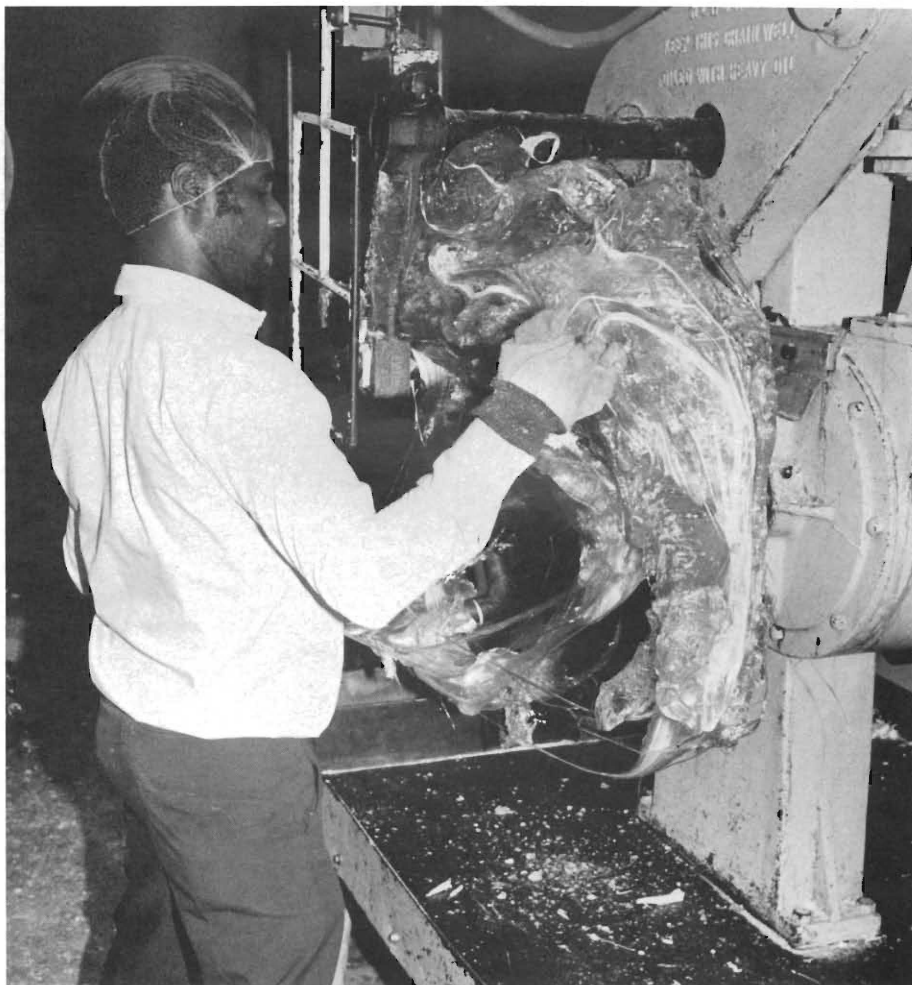
“The free zone concept,” says Charles Pennycooke, General Manager of the Free Zone, “is actually of an industrial park offering incentives to investors to produce goods for export and to provide employment for Jamaica, foreign exchange earnings and transport technology.”

The project, supported by a World Bank loan of US\$13.3 million, is so successful that it is exceeding expectations. For instance, it was to have provided 4,000 jobs; instead, it is expected to provide 7,000 by the time the project is completed at the end of 1987.

Mix of Industries

One reason more jobs have been created than expected is the mix of industries brought in, says Mr. Pennycooke. “The garment industry, for instance, gives us high utilization per square footage per person.”

He continues: “All goods produced in the free zone are for export, most to the United States. There’s only one company that’s allowed to sell its products in Jamaica, and the reason for that is that this product is not manufactured in any shape or form elsewhere on this island.”



Nelvern Williams “pulling candy”—much like “pulling taffy.”

Photos by Yosef Hadar

Export sales from the zone have consistently increased from US\$14.4 million in 1983 to US\$32 million last year, generating net foreign exchange in 1985 of \$3.5 million.

The sole Jamaican company in the zone is there for one purpose, adds Mr. Pennycooke. "So they can gain access to the North American market and European market very effectively." The company is not being subsidized by the Jamaican Government.

The zone, 85% completed at present, is 130% occupied. "We have 30% more customers than we have buildings," says Mr. Pennycooke.



Charles Pennycooke, General Manager of the Free Zone.

Largest Operation

Talethia Smith works in the largest industrial operation in the free zone, a 72,000 sq. ft. garment factory run by a Far Eastern company. She sets collars on shirts and blouses at a salary of between US\$52 and US\$60 a week, depending on bonuses for the amount of work she does.

She began working there in 1984, and she likes it very much. She was trained on the job. "I was actively seeking employment (before I came here), but couldn't get anything." It took her three months to learn her job.

She's the basic wage earner in her family. Her husband works "on and off," and there are four children to support.

Mrs. Smith feels she has security in her job, and she likes what she is doing. "The job gives me a lot of opportunity to learn a lot of different things," she says, "to do what I never used to do before. In my situation, the money earned here helps to improve my living condition and helps me to provide better for my children." ■

Talethia Smith, setting a collar on a blouse, works in the largest industrial operation in the Free Zone.



Around the Bank

Now ... and Then



Nine members of the fifth group of Young Professionals recently gathered for a reunion and posed for a portrait as they did in March 1966. (Seated left to right): Basil Kavalsky, Ugo Finzi, Heinrich B. Meier, Adi J. Davar, Stephen D. Eccles. (Standing left to right): Ignatius A. Menezes, Giovanni Vacchelli, Curt Carnemark, Samir K. Bhatia.

Photo by Curt Carnemark



As the group was 20 years ago: (Seated left to right): Ugo Finzi, Stephen D. Eccles, Samir K. Bhatia, Alexandros Protopapas, Stanley P. Johnson (now with the European Economic Community) and Ulrich Loeser (now with United Nations Industrial Development Organization). (Standing left to right): Bank staff member Richard W. Van Wagenen (responsible for recruiting and screening the first nine YP groups), Ignatius A. Menezes, Adi J. Davar, Heinrich B. Meier, Ernest A. A. M. Lamers (now with the European Investment Bank), Curt Carnemark, Giovanni Vacchelli, Basil Kavalsky, Jean Paul Vigie, Zia Kallm, and Bank staff member Anwar Ahmad.

Awards for Bank's World

For the second year in a row, *The Bank's World* has been named one of the best magazines in the Washington, D.C., area by the Washington Chapter of the International Association of Business Communicators, and for the second straight year, Jill Roessner of *The Bank's World* staff has received an award from the same organization for one of her stories.

The magazine won a silver inkwell award in the one-to-three color category; Mrs. Roessner won for an article in the December 1985 issue, "Diplomat without Portfolio," which told about Janet Hickman, the head of the Bank's London office. ■

Book Project



A customer at the WBVS Book Project sale in the E building mezzanine in June. The event raised more than \$1,100 to go toward sending more books, pencils and paper to developing countries.

Photo by Giuseppe Franchini

Office Bonnet



Elizabeth Ridout of IFC's Department of Investments has taken the precaution of wearing a hard hat to the office while renovations take place in her work area.

Photo by Giuseppe Franchini



Learning about Safe Travel

More than 80 members of World Bank Volunteer Services (WBVS) attended a recent meeting concerning safe travel presented by the Bank's Security Division. A brochure, "Guidelines for Safe Travel," is available from the Operational Travel Office, Room B-200, and from the Benefit Travel Office, A-231.

Photo by Giuseppe Franchini

Senior Staff Appointments



CLAUDE BLANCHI, a French national, has been named Assistant Director, Agriculture and Rural Development Department. Mr. Blanchi joined the Bank in 1970 as an Operations Officer in the Development Finance Companies Department. In 1972, he transferred to Europe, Middle East and North Africa Projects Department and, in 1973, was seconded on a UNDP program to the Industrial Development Bank of Afghanistan where he served as Finance Manager, then General Manager. In 1977, Mr. Blanchi was appointed Deputy Division Chief, Agriculture, Regional Mission in Eastern Africa. On his return to Headquarters in 1982, Mr. Blanchi became Chief, Agriculture Division C, Western Africa Projects Department. His new appointment was effective June 16.



RALPH C. BLACKWELL, a British national, has been named Assistant Director, Facilities Services, Information, Technology and Facilities Department. Mr. Blackwell came to the Bank in 1983 as Assistant Director, ADM; for the past year, he has been responsible for managing Security, Support Services, Facilities Planning, Design and Operations, as well as the Bank's major building projects. His new assignment was effective July 1, with Mr. Blackwell responsible for Workplace Design, Facilities Operations, and Facilities Project Management. He is also responsible for the "J" building project.

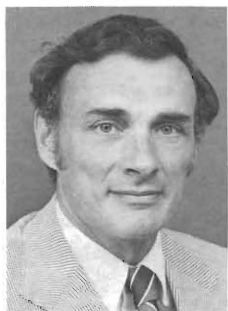


MAUREEN M. MOORE has been named Assistant Director, Information Services, Information, Technology and Facilities Department, with responsibility for Records Management, Information Systems Development, and Customer Services. Mrs. Moore, a U.S. national, had been serving as an Assistant Director, ADM, since 1985 when she came to the Bank from the IMF, where she had been the Librarian of the Joint Bank/Fund Library. Her appointment was effective July 1.



IAN SCOTT, a British national, has been promoted to Assistant Director, Planning and Policy, Information, Technology and Facilities Department. Mr. Scott, whose appointment will be effective August 1, joined the Bank in 1972 as a Country Economist in the Central American and Caribbean Department. In 1975 he was named Senior Economist in the Latin America and the Caribbean Country Programs Department 1. In 1976, he went to Colombia to serve as the Bank's Resident Representative. On returning to Headquarters in 1979, he was named Deputy Chief, Urban Projects Division, Latin America and the Caribbean Projects Department, where he was promoted to Chief in 1980. He became Chief, Institutional Planning Division, Planning and Budgeting Department, in 1984.

Senior Staff Appointments continued



WAYNE RAYFIELD, a U.S. national, is moving to the position of Assistant Director, Technology Services, Information, Technology and Facilities Department, where he will be responsible for the IBM Division, Burroughs Division, Communications Division, and Office Systems Division. Mr. Rayfield had been Assistant Director in the Information Resource

Management Department. He joined the Bank in 1971, and his new appointment took effect July 1.



J. WILLIAM STANTON, a U.S. national, has been asked by Mr. Conable to serve as Counselor to the President. Mr. Stanton came to the Bank in 1983 as Senior Adviser in the Office of the Vice President, External Relations, having just retired from the U.S. Congress where he served as a Representative from Ohio for the previous 18 years. Mr. Stanton's new appointment

was effective July 1.



FRANK THORNLEY, a U.K. national, has been appointed Chief, Agriculture Division C, Latin America and Caribbean Projects Department. Mr. Thornley joined the Bank in 1968 as an Agriculturalist in the Permanent Mission in Eastern Africa, Nairobi, Kenya. He transferred to the Agriculture Division, Asia Projects Department in 1973, then to South

Asia Projects, General Agriculture Division in 1974, where he was promoted to Senior Agriculturalist in 1976 and Deputy Division Chief in 1979. He moved, in the same capacity, in 1984, to the Latin America and Caribbean Projects Department, Agriculture Division C. His new appointment was effective March 24.



JOSE BRONFMAN has been appointed the Bank's Resident Representative in Madagascar, succeeding Paul Blay who is returning to Headquarters. Mr. Bronfman, an Argentine national, joined the Bank in 1967 as a Transportation Economist in the Projects Department. In 1971, he was promoted to Deputy Chief, Railways Division, and the following year Chief, Railways Division II. After the reorganization later that year, he was assigned to the Latin America and the Caribbean Projects Department. A year later he was named Chief, Railways, Ports and Aviation Projects Division. In

1976 he became Assistant Director, Eastern and Southern Africa Projects Department. He takes up his new assignment this month.



GOBINDRAM NANKANI, a Ghanaian national, has been appointed Senior Departmental Economist, Office of the Director, Latin America and Caribbean Country Programs, Department II, effective February 1. Mr. Nankani joined the Bank in 1976 as a Young Professional and was appointed Economist, Public Finance Division, Development Economics

Department, in 1977. He moved to the Office of the Vice President, Development Policy, in 1978. After a brief leave of absence in 1981 as Economic Adviser to the Vice President of Ghana, he joined the Western Africa Region, Office of the Director, Country Programs I in 1982, where he was promoted to Senior Economist. In 1984, he transferred to the Nigeria Division, West Africa Country Programs Department I.



RAVI GULHATI, an Indian national, has been named Senior Adviser to the Senior Staff Resources Program. Mr. Gulhati joined the Bank in 1956 and, 10 years later, was granted a leave of absence to serve in the Government of India as Director of the Department of Economic Affairs. He returned to the Bank in 1968 and worked on the staff of the Lester Pearson Commission on International Development. In 1969 he was appointed Chief Economist, Development Finance Companies Department; in 1972, he became Deputy Director of the Development Economics Department and Director in 1973.

Mr. Gulhati took sabbatical leave at Oxford University, England, in 1976. Since returning in 1977, Mr. Gulhati has been the Chief Economist, Eastern and Southern Africa Regional Office, Office of the Regional Vice President. His new position was effective July 1.



PAUL ISENMAN has been named to succeed Ravi Gulhati as Chief Economist, Eastern and Southern Africa Region, Office of the Regional Vice President. Mr. Isenman, a U.S. national, joined the Bank in 1976 as a Senior Economist, Program Review Division, Policy Planning and Program Review Department. He was leader of the team that prepared the 1980 *World Development Report*, and later that year was promoted to Senior Economist, Office of the Director, West Africa Country Programs I. His new appointment was effective July 1.



BAELHADJ MERGHOUB, an Algerian national, has been appointed Chief, China Division, East Asia and Pacific Country Programs Department. Mr. Merghoub joined the Bank in 1970 through the Young Professionals Program. After graduating from the YPP, he became an Economist in the Agricultural Credit Division, Agriculture Projects Department,

transferring to the Agricultural Division of the Europe, Middle East and North Africa Projects Department in 1972; in 1974 he moved to the Agricultural Credit and Agro-Industries Division of the same department. In 1977, he was promoted to Deputy Chief, Agriculture Division II, EMENA Projects Department, where he was named Chief in 1978. In January 1983 he was appointed Resident Representative in Pakistan. When he returned to Headquarters in 1985, he became Chief, Division 2A, Western Africa Country Programs Department II. His new appointment was effective July 1.



MAKARAND DEHEJIA will assume responsibility for the operations of the new African Project Development Facility (APDF), sponsored jointly by the IFC, UNDP, and the African Development Bank to assist private entrepreneurs in Africa. Funding has been provided by the three sponsors and 12 donor countries. Staff will serve in APDF Regional Offices

in Côte d'Ivoire and Kenya, as well as at Corporation Headquarters and Regional offices. Mr. Dehejia, an Indian national, joined the Corporation's Engineering Department in 1966, and was promoted to Senior Engineer in 1972. He was named Director of the Department in 1977, and in 1981 was appointed Vice President, Engineering, IFC. His assignment, and all the following, were effective July 1:



ALEXANDER KEYSERLINGK continues as Facility Coordinator, reporting to Mr. Dehejia. Mr. Keyserlingk, a Canadian national, joined IFC in 1971 as a member of the Project Supervision Group, transferring in 1975 to serve as an Investment Officer in the Department of Investments, South America, where, in 1979, he was promoted to Divisional Manager, Africa, Division I. In 1984, Mr. Keyserlingk was assigned to the Office of the Vice President, Africa, with responsibility for the preparation of several special IFC initiatives, including negotiating the funding of the APDF.



ANDRE CRACCO has been named Regional Manager of the APDF, West Africa Regional Office, based in Abidjan, Côte d'Ivoire. Mr. Cracco is a Belgian national who joined the Bank through the Young Professionals Program in 1970. In 1972 he joined the Development Finance Companies Division, Latin America and Caribbean Projects Department, where he was

promoted to Senior Operations Officer in 1977. In 1980, Mr. Cracco joined the Corporation's Department of Investment, Africa I, as a Senior Investment Officer. Since 1983, he has held the position of Deputy Resident Representative in the Bank's Regional Mission in Pakistan.



ALBERT OSEI, a Ghanaian national, was seconded to the East Africa Regional Office from IFC's Department of Investments, Africa II, where he had served as a Senior Investment Officer since 1983. Mr. Osei joined the Bank in 1973 through the Young Professionals Program, and in 1974 was assigned to Agriculture Division 2, Western Africa Projects Department,

as an Economist. In 1978, he transferred to the Regional Mission in Western Africa, Abidjan, where he was promoted to Senior Economist.



GIOVANNI LUPPI, an Italian national, has been seconded to the West Africa Regional Office from IFC's Engineering Department where he has been since joining the Corporation in 1980, after an extensive career in the private sector. In 1985, he was promoted to Senior Engineer.



RICHARD PARRY has been appointed Regional Manager of the APDF, East Africa Regional Office, based in Nairobi, Kenya. Mr. Parry, a British national, joined IFC in 1979 as an Investment Officer in the Department of Investments, Europe and Middle East, and was promoted to Senior Investment Officer in 1984.

Retirees



LADISLAV TOPOLSKY, who served as Chief, Receipts and Payments Operations, Cashier's Department, retired from the Bank June 30 after a 22-year career with the institution. Mr. Topolsky, a U.S. citizen, plans to remain in the Washington area.



BOONCHOB KANCHANALAK, a Thai national, retired June 30 from the position of Senior Hydrologist, Water and Resources Unit, Agriculture and Rural Development Department, after 17 years with the Bank. Mr. Kanchanalak is going back to Bangkok and plans to work as a consultant for the Thai Government after about a year's rest.



SYED SALAR KIRMANI, a Pakistani national and Director, East Asia and Pacific Projects Department, will retire August 1. During his 17 years in the Bank, he served as Irrigation Engineer, Agriculture Projects Department; Chief, Mekong Project Group, and later, Deputy Director, Special Projects Department; Director, Eastern Africa Projects Department, and



ALEKSANDER SANDIG, a Canadian national, retired from the position of Senior Textile Engineer June 30. Mr. Sandig joined the Bank at the end of 1973, and had been in the Industry Department since then. Eventually, he intends to return to Canada.

has been in his current position since 1974. Before he joined the Bank, Mr. Kirmani had served in different engineering and management positions with the Government of Pakistan, and the Governments of Punjab and Madras, India.

New Staff Members

John M. Adsit
United States
Research Assistant/LEG/6/30

Cecilia M. Balchun
Uruguay
Secretary/LOA/6/30

Tercan Baysan
Turkey
Country Economist/ASA/6/27

James P. Bond
France
Economist/EGY/6/16

Adala T. Bruce-Konuah
Ghana
Secretary/ASA/6/23

Beatrice Buyck
Belgium
Operations Officer/LCP/6/4

Sylvester D.H. Bynum
United States
Operating Engineer/ADM/6/30

Maria Helena Carvalho
Portugal
Secretary/LC2/6/23

Gloria Chacon
Peru
Secretary/LC1/6/2

Elizabeth R. Charles
India
Publications Clerk/PUB/6/9

Pamela S. Cook
United States
Secretary/TRP/6/9

Anthony Doran
United Kingdom
Investment Officer/IFC/6/2

Betsy R. Edison
United States
Secretary/UNDEI/6/2

Mohammad Faisal
Bangladesh
Agricultural Economist/EAR/6/2

Alvina Fernandes
United Kingdom
Secretary/IFC/6/30

Stephen M. Fox
United States
Operating Engineer/ADM/6/2

David Henley
Australia
Sr. Sanitary Engineer/EMP/6/23

Joseph V. Holden
United States
Operating Engineer/ADM/6/9

Baudouin A. Hubert
Belgium
Young Professional/YPP/6/2

Soe Lin
Canada
ED's Assistant/EDS/6/2

Bjorn T. Lindal
Iceland
Exec. Director's Asst./EDS/6/30

Laszlo Lovei
Hungary
Young Professional/YPP/6/18

David P. MacGregor
United States
Publications Assistant/PUB/6/23

Julius Makoni
Zimbabwe
Young Professional/YPP/6/2

Brian J. McCall
United States
Operating Engineer/ADM/6/2

Annick Milde
Belgium
Secretary/EDS/6/2

Daniel Moreau
France
Agriculturalist/WAP/6/2

Takaya Naito
Japan
ED's Assistant/EDS/6/2

George E. Norris
United States
Operating Engineer/ADM/6/23

Walter J. Ochs
United States
Irrigation Engineer/AGR/6/9

Jaime G. Olazo
Philippines
Research Analyst/WUD/6/16

Vicente Paqueo
Philippines
Economist/PHN/6/16

Janet Parker
United Kingdom
Secretary/EAP/6/9

Dawn Pigman
United States
Secretary/EIS/6/9

Barbara Schroeder
United States
Office Technology Asst./EDI/6/3

Maria Sherzai
Afghanistan
Secretary/IFC/6/2

Corazon Siddayao
Philippines
Training Officer/EDI/6/2

Robert A. Whyte
United Kingdom
Sr. Financial Analyst/WAP/6/16

The purpose of this column is to answer questions of broad interest concerning The World Bank/IFC's policies and procedures. Because of space limitations, only questions of wide interest can be published. If you have such a question, send it to: Answer-Line, The Bank's World, Room D-839.

* * *

Question: The latest staff Attitude Survey indicated that some staff have experienced sexual harassment. There seems to be a reluctance to complain about harassment since it rarely occurs in the presence of others. Some staff feel that the individual in the supervisory position will be viewed as the most credible party. Has anyone ever been fired for sexual harassment?

Answer: Yes, someone was fired for sexual harassment and, if justified, we will not hesitate to take this action again. Most victims of sexual harassment simply want the objectionable behavior to stop. If it does, with or without outside intervention, they usually choose to drop the matter. For this reason disciplinary action is not always taken.

Anyone who experiences sexual harassment and is not comfortable discussing the matter with his or her supervisor is strongly urged to go to one of the following for help: the Personnel Officer, staff counselors in MED, the Ombudsman, or the Staff Association. *William J. Cosgrove, Director, Personnel Management Department.*

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Question: Many staff members who attended the Staff Association meeting May 23 indicated by a show of hands that they agreed to take annual leave for 1-1/2 days commencing at 1 p.m., May 23, through 5:30 p.m., May 27, to protest the Board's decision postponing an increase in the salary structure. My guess is approximately 10% to 15% of

the Bank staff attended that meeting.

There are a lot of rumors in the Bank about the percentage of staff who actually stayed away from work during that period. In this regard, I have the following questions and would be grateful for answers: How many staff members participated in the action, and, is management proposing any disciplinary action against them? I would also be interested to know how many staff members—support, assistant and higher level—have resigned from the Bank during the last three fiscal years.

Answer: Managers throughout the Bank and IFC reported that about 300 staff members took annual leave Friday afternoon, May 23, as a result of the Staff Association initiative and about 750 (approximately 12% of Bank/IFC staff) did so on Tuesday, May 27. No disciplinary action was taken or will be taken against these staff members.

Regarding resignations, in FY85, 57 higher level staff, 22 assistant level staff, and 91 support level staff resigned voluntarily from Bank/IFC service, representing a turnover rate of under 3%. Prior to FY85, statistics were kept for higher level staff only; 60 higher level staff resigned from service in both FY83 and FY84. *William J. Cosgrove, Director, Personnel Management Department.*

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Question: I was recently embarrassed to learn that the figure I quoted as my gross salary on a mortgage application was higher than the figure which the Compensation Department verified. This put my application in jeopardy. I am thoroughly confused as to why, for American staff, the Bank quotes one figure as the gross on salary action forms and on the benefits statement, yet another appears on the W-2 form.

Answer: The question provides a

good opportunity to clarify the confusion which sometimes results from having two different "gross" salary calculations, each used for different purposes. For pension purposes, net salaries are grossed up using the formula established in the Staff Retirement Plan (SRP), where the resulting gross is called "gross remuneration." This amount appears on both the personnel action form and the personal statement of benefits of all staff where it is labeled the "pension base." The SRP grossing up formula is set out in paragraph 6 of Personnel Manual Statement No. 3.26, issued May 1977, which also gives an example of how this calculation is done.

For mortgage and other financial purposes, when a lender wants to verify the income of a staff member to see if he or she qualifies for a loan, we use another calculation to determine a gross figure that reflects U.S. taxation. This is tailored to the staff member's circumstances so as to be closer to the equivalent gross salary payable outside the Bank/IFC. For U.S. staff, this "gross" amount appears on the W-2 form and is the total money paid to a U.S. citizen in a calendar year. For non-U.S. staff, the Compensation Department calculates a gross equivalent based on the staff member's net salary, family status, number of dependents, state of residency, and, in addition, the same assumptions used to calculate tax allowances for U.S. staff.

It follows that the "gross" amounts calculated for the pension base and those derived for mortgage purposes are quite different, and each should be used for its intended purpose. If you are applying for a mortgage or other loan and you need a gross salary figure, contact the Human Resources Information Center, Ext. 3-3663 or 3-3296. *Giulio Cima, Manager, Human Resources Information Center, Compensation Department.*

As we go to press...

BRIGHT FINANCIAL PICTURE: "The World Bank is in strong financial condition and therefore in an excellent position to expand its assistance to developing nations," Moeen Qureshi, Senior Vice President for Finance, told the press July 9 at a financial briefing in New York City.

"Our results for fiscal 1986," he said, "should reinforce confidence (of investors) in the World Bank--in its financial management and in what it does."

In FY86, the Bank had record net income of \$1.28 billion, based on preliminary unaudited data. This figure surpasses the previous high of \$1.14 billion in FY85.

The Bank borrowed \$10.6 billion at an average cost of 6.91%, the lowest cost of borrowing for any fiscal year since 1979. The amount borrowed compares with \$11.1 billion in FY85 and \$9.8 billion in FY84.

"Our financial position," said Mr. Qureshi, "in terms of the balance sheet, is strong: total earning assets stood at about \$81 billion, of which \$20 billion represented liquid assets. Total assets in FY86 rose by about \$22 billion, substantially due to translation adjustments on non-dollar assets, while liquid assets increased by about \$3 billion. Our liquid assets position should be seen in the context of as yet undisbursed commitments of about \$44 billion."

Mr. Qureshi said that in FY86 the Bank's strategic objectives were to reduce the costs of its borrowing program, extend the maturity structure of borrowings, and further reduce the risks of financial operations. "We have achieved a high degree of success in FY86 in moving toward these goals," he noted.

Lower borrowing costs enabled the Bank "to extend the average maturity of our borrowings from 8.6 to 12.6 years," Mr. Qureshi said. "We also continued to diversify our sources of funding by currency and financial instruments to minimize costs as well as risks. We borrowed in 16 currencies, including ECUs (European Currency Units), and introduced

innovative instruments in capital markets around the world.

"We did currency and interest rate swaps exceeding \$2 billion. Apart from contributing to an appropriate currency diversification in our borrowing program, these operations lowered our borrowing costs by 77 basis points. They also contributed to a further lowering of our lending rate to our borrowers."

Mr. Qureshi added that the Bank's FY86 financial results "provide the basis for us to face the challenging tasks of the future with greater confidence in our ability to mobilize development capital in increasing amounts and on excellent terms. As we look ahead, in fiscal year 1987, I want to assure you that we will continue to adhere to financial policies and standards that have given the Bank its reputation for financial soundness, for the quality of its management, and for the special relationship that it enjoys with its borrowers. If we are to play the expanded role that is envisaged, then we must continue to enjoy the confidence of investors."

* * *

INTEREST CHARGES REDUCED: The Bank July 1 reduced the interest rate it charges on loans to developing countries from 8.5% to 8.23%. It was the eighth consecutive reduction since the IBRD adopted a policy of semi-annually resetting its lending rates for loans made since July 1, 1982. At that time the lending rate was 11.43%.

The rate is calculated by adding a spread of 0.5% to the cost during the preceding six months of a pool of outstanding borrowings made since July 1, 1982.

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SWITZERLAND, PAKISTAN SIGN MIGA CONVENTION: Switzerland and Pakistan have become the 32nd and 33rd countries to sign the Convention Establishing the Multilateral Investment Guarantee Agency. A preparatory conference to formulate the operational and financial policies of MIGA will be convened September 15-19 in Washington, D.C.