First Prize — Development (Contest winners/photos, pages 4-7)
On Using Management Consultants

by Richard B. Lynn
Director, Organization Planning Department

You're responsible for a major program. For some reason, the organization you put in place just isn't jelling. You spend most of your time—including nights and weekends—firefighting. You've got piles of data (your desk's covered with it), but you never seem to know what's going on. You think to yourself, "I wonder if I could use some outside help?"

One form of such outside help (other than a psychiatrist) is the management consultant. But what is the nature of this species? What can a management consultant bring to your operation, and how can his services best be used?

Professional Problem-Solvers

Generally, management consultants are professional problem-solvers who focus on improving managerial, operating, and economic performance. They identify and analyze problems, recommend workable solutions and may help managers to implement them. They also serve as catalysts in effecting change in an organization—so-called "change agents."

What they can bring to your work is an outsider's objective—even dispassionate—view. Many come with comparative experience, knowing, for instance, how similar problems have been handled elsewhere. A typical characteristic is an analytic approach, which includes having the mobility to range throughout the organization at any level, asking leading, and sometimes embarrassing, questions. Usually, they can concentrate on the problem full time or at least with fewer distractions than you have, and, increasingly come equipped with specialized knowledge: for example, use of technology or the printing trade.

Typically, a consulting "engagement" involves problem definition, a diagnosis (just like a doctor), and recommendations (or a prescription), followed by a decision, implementation, and after a suitable interval (assuming someone agrees) an evaluation. The latter entails not only asking, "What happened as a result of the consultant's work?" but also "What difference did it make or impact did it have?"

Here are a few suggestions and cautions on using management consultants:

1. Make sure you define the problem you think you want solved. A false start here can be both time-consuming and costly, and result in a lot of miscommunication. If you just need an extra pair of hands, a management consul-
tant is probably not the answer, so you should be clear that the problem you have is soluble (or addressable) by a consultant.

2. Select the consultant with care. Selection may include developing a short list of those qualified, discussing the problem parameters with each, asking for proposals, and checking client references. Make sure you look over the qualifications of those who will actually do the work, not just those who negotiated the study with you. And, remember, price is only one criterion and not necessarily the most important one; look to the probability of a successful outcome.

3. Agree with the consultant on mutual obligations. If you're the key client, you have to be willing to devote the necessary time and attention to the effort or you may as well forget it. Be prepared to offer up your own staff to work with the consultant; they can reduce start-up time, expedite the analyses and, most importantly, facilitate implementation later on. As to the latter, make sure you determine when the "baton should be passed" from the consultant to your staff.

4. Support as well as supervise the consultant's work. One way to do it is to appoint a liaison officer (someone close to you) to pave the way and provide needed assistance. You should establish an interchange on ideas and problems. A consulting engagement should neither be an ivory tower exercise nor an adversary situation. And, be sure to build in periodic progress reviews, both to keep you in the picture so as to avoid surprises and to ensure the consultant continues on the right track.

5. Follow up on the recommendations. One way to ensure follow up is to select the actionable and near-term payoff areas early and to concentrate on them. The last thing you want is to "file and forget" a costly, probably elegantly written, report, letting it gather dust in your archives.

6. Measure the results. A well-done consulting job should mean accepted recommendations, largely acted upon, with realized end results; realistic fulfillment of time, end product, and cost estimates; an added stimulus to your management thinking; and all of the above achieved with a minimum of disruption to your organization. A final "acid test" of success is your willingness to use the consultant on future assignments, if and when needed.

You're the same program manager a few weeks or months later. The new structure is in place and staffed with enthusiasts. The third quarter results were promising, and you and the newly appointed planning officer have just adjusted the next quarter's operating plans. Your desk is reasonably clear, and you begin to think about ideas for that new program. You think to yourself, "You know, our success might just be due to the consultant!"
In Bank's World Photo Contest

The Winners Are...

by Patricia D. Nepomuceno

From a market in Madagascar to a film factory in Shanghai, from Tiger's Nest in Bhutan to Lake Skadar in Yugoslavia, the first Bank's World-sponsored photo contest was a journey off-the-beaten paths around the globe.

For about 100 photography buffs, it was a chance to dust off their slide and print collections, bet on a few favorites, and be rewarded with new supplies or equipment through Potomac Photo gift certificates ($100 each for four first prize winners and $25 each for four runners-up).

Judges Bernard Mills, Vice President of ImageMatrix Washington; Stephen Weber, a commercial industrial photographer in the Washington, D.C., area; and William Spidle, Chief of IPA's Production Services Section, looked at 277 slides and prints entered in the contest and confessed to being "pleasantly surprised" at the number and variety of "good quality stuff" submitted. The judges also picked 30 other entries with "great potential" to be part of an exhibit later this summer (watch the Weekly Bulletin for details).

Here are the winners:

Cover photo:
"School Scene" (Bogota, Colombia)
First Prize, Development Category
Daphne White
(Nikon FE-2, 50 mm lens)

"It really grabs you; it's dynamite," the judges said of this classroom scene in Bogota. Daphne White, Consultant in EDI's Education and Training Design Division, comments with some amusement that the social studies teacher, who prided herself on the rapport she had with her students, would have been disheartened to realize that the little ones actually gave her mixed reviews. "It was one of those moments that is only visible when frozen in time," she adds. Ms. White was in the middle of producing a slide show for use in EDI courses when, "10 minutes before the contest closed, I thought I'd try my luck." As a university student in Paris, she decided she wanted to take more than "pretty postcard pictures" and take photography lessons. Later, her photographic skills came in handy as a print journalist in Atlanta, Georgia, and Washington, D.C.

"Low-Income Settlement"
(Lahore, Pakistan)
Runner-Up, Development Category
John M. Courtney

"It's a busy picture, but the color and all the activity project a warm feeling, a feeling that development is not frightening," commented one of the judges. The scene is typical of low-income areas known as Katchi Ab Adis, which are being upgraded with basic services by the Pakistani Government and The World Bank, explains John M. Courtney, Senior Urban Planner in the Water Supply and Urban Development Department's Water and Sanitation Unit. "I use my photography almost entirely for professional activities and normally do not enter competitions," Mr. Courtney says. However, many of his photographs from some 20 countries have been used in professional publications to help tell the story of urban development.
“Valley of the Nobles” (Luxor, Egypt)
First Prize, Scenics Category

Maria Arocena
(Pentax MEF, 35 mm lens)

“For a long time, I traveled without a camera, then finally bought one—guess what—an ‘Instamatic.’” says Maria Arocena, a Documentation Assistant in the EMENA Information Center. “Then after a trip to Machu Picchu in Peru, I looked at my pictures and thought, ‘This is ridiculous.’ I got myself a Pentax MEF, a wide angle lens, and a 70-foot zoom lens, joined the IMF-World Bank Camera Club, took lessons from them, and really went into it.” Ms. Arocena was on a three-week tour of Egypt recently—the realization of a lifelong dream—when she shot her winning entry. Judges called it “graphic, gorgeous and classic, totally appealing to the eye.”

“Machhapuchhare” (Nepal)
Runner-Up, Scenics Category

Astrid Franz
(Pentax MA Super, 135 mm lens)

Traditionalists may insist that a mountain is a mountain is a mountain. But this one, said the judges, was “simply beautiful.” The Nepalese name stands for the peak’s fishtail-like formation, explains Astrid Franz, who trekked across the Himalayas two years ago. A Senior Staff Assistant in the Office of the Director, South Asia Country Programs Department, Ms. Franz has had some photographs exhibited with the Camera Club, “but that was ages ago.” Actually, she confides, “my husband is the better photographer.”
"Soaking up the Spring Sun on Park Bench" (Buenos Aires, Argentina)
First Prize, People Category
Herbert D. Floyd
(Canon AE-1, 35-70 mm lens)

"The people are so close to being perfect, they're unreal," said the judges, who were completely taken by the photograph's wistful humor. Herbert Floyd, an Agriculturist in the Latin America and the Caribbean Projects Department, Agriculture Division B, recalls the sunny day about two years ago when he and his wife chanced upon "these old people looking as if somebody had posed them on a theatrical stage." Another photograph brought Mr. Floyd a flash of fame in the early '50s. Wanting to drum up some publicity for a fund-raising event at the University of Reading in England, he and his friends fashioned a sea monster out of rubber. "I took pictures of it coming out of the Thames," he says. "The Daily Telegraph published it on its op-ed page and journalists converged on Reading to see if they could catch a glimpse of the monster. Life magazine wrote a story about how the Telegraph was hoodwinked and reprinted my photograph. We were interviewed on BBC television, and raised a lot of money for charity."

"Farmer/Entrepreneur" (Beijing, China)
Runner Up, People Category
Stephen Heyneman
(Nikon F-3)

"What a great face!" exclaimed the judges, also pointing out the perfect lighting. They appreciated the difficulties of coming up with a powerful close-up such as this one, "because most photographers are still afraid to come in close." Stephen Heyneman came across his subject in a Beijing market and "to me, he's a symbol of the beneficiary of China's more liberal agriculture policies and prices: Once poor, now he is on top of the world." The photo award pleases Mr. Heyneman no end. He is Chief of EDI's Education and Training Design Division, "and producing graphics to make concepts more visual is one way we're trying to make training in education and in other sectors more effective."
Now the whole family will become even more competitive," says Sangam Iyer, after besting his wife and 16-year-old son in the first photo contest they ever entered. The Iyers lived in Indonesia from 1979 until 1984 when Mr. Iyer was a member of the Resident Staff. While exploring Asia and the Pacific, they also indulged in their common passion for photography.

"The picture is eye-catching; it's beautiful color," said the judges of "Terrace Crop Farmers." An Administrative Assistant in the Office of the Director, South Asia Country Programs Department, Mr. Iyer once worked with a film production unit in India which produced documentaries for the U.S. Information Service.

Ten years ago, Hong-Phong came to the United States as a refugee from Vietnam. Today, he is 22, a senior at Georgetown University's School of Foreign Service. Proud mother Claire-Nghia Trung Dang, Loan Accounts Assistant in the Loan Department, points out that her son never took a single lesson in photography. In 1983, a six-month internship with the Inter-governmental Committee for Migration and the U.N. High Commissioner for Refugees took Hong-Phong to Vietnamese refugee camps in Southeast Asia, led him to study Chinese in Taiwan for another six months, and then to travel in all manner of unconventional transportation all over China and Tibet "for as long as my money would hold out." "Harvesting the Golden Fields" is part of a collection of more than 2,000 slides documenting his China memories. Judges noted the "nice evocative mood and the soft texture" of the photograph. Hong-Phong, who, by the way, also paints, couldn't believe his good luck when he came across the harvesting scene. "It reminded me very much of Millet's Les Glaneuses," he says.
Pouch Service

If You Absolutely, Positively Have to Get It Overseas Fast

by Marjorie Messiter

If your report absolutely has to be in Bujumbura, Niamey, Islamabad—or in 30 of our 45 Resident Missions—in four or five days, try using The World Bank’s diplomatic pouch.

Pouch service, which has existed to Dhaka, Jakarta and Islamabad since 1979, blossomed at the end of 1983. The network currently extends to 30 Resident Missions. If you get your reports and memos to the Mail Room by 11:30 a.m. on the day of departure, you can rest easy. They will reach their destination faster than U.S. airmail.

When the first Resident Mission was established in New Delhi in 1960, fast overseas delivery became imperative. But international courier services didn’t exist. The Mail Room dispatched letters, memos and light mail through the U.S. Postal Service and heavier packages through the UNDP (United Nations Development Programme) pouch.

Colin Russell, Chief of the Administrative Services Department’s Mail and Distribution Section, says that the system worked, though not without hitches. The impetus to find a better one came in 1978 when Resident Representatives, gathered in Washington for the Bank and IMF Annual Meetings, complained about slow delivery.

The Time Had Come

The time had come for a private pouch service, and service began in 1979 to Dhaka and later to Jakarta and Islamabad.

Those first pouches went by “safe hand service” on British Airways from Dulles Airport. The “safe hand” was the pilot’s. The packages traveled as the pilot’s baggage, and he was responsible for their safe conduct to the destination. The bill for this service came to a hefty $48 per kilo (about 2 pounds), so it was reserved for light mail. Heavier packages were shipped by UNDP pouch.

In 1983, as part of the Field Office Improvement Program, the Mail and Distribution Section initiated an overall study aimed at finding ways to improve delivery time, cost-effectiveness and the security of mail services to the field. The need for a full-fledged World Bank Diplomatic Pouch was evident, and the decision was made to test it with a few field offices. But before it could be set up, ADM and the Legal Department had to consult with government officials to ensure that Bank mail received appropriate recognition of its immunities.

Diplomatic Immunity

A test program serving Bogota, Abidjan, Khartoum, Lusaka, and Cairo was inaugurated. Resident Representatives were asked to contact government authorities to reconfirm that the diplomatic immunity of the Bank’s mail would be honored and to alert customs officials in order to avoid clearance problems. Gradually, more field offices have been added to the list.

The Mail Room acts as the collection point for pouch shipments. Mail clerks first seal all contents in plastic and then pack them in heavy-duty waterproof bags. These bags are tied with cord and secured with a “coin lead seal”—a piece of lead about the size of a U.S. nickel. This seal, when fused with the Bank’s logo, cannot be broken or tampered with without someone’s knowing it.

Panalpina, a freight forwarder, picks up shipments daily at noon and takes them to Dulles airport, thus the need for the 11:30 a.m. deadline in the Mail Room to allow time for wrapping pouch items. If you have items for the pouch, it is wise to verify departure days and times with the Mail Room. Many a staff member has rushed in to catch the pouch just after the van has left for Dulles.

Panalpina already has space reserved on the airlines and informs Jose...
San Sebastian, Senior Mail Clerk, of the flight number, air waybill number and date of arrival. This information is telexed to the Resident Mission which arranges for pickup at the other end.

ADM pays the cost of shipping from Headquarters, but each field office pays for whatever it sends back to Headquarters. The field offices make direct arrangements with the airlines in their countries, and all packages are consigned to World Bank-Dulles Airport. Panalpina checks customs daily, automatically clears incoming shipments and delivers them to the Mail Room. Each mission telexes the flight number and expected arrival date of a shipment which the Mail Room logs. This is necessary for tracking shipments.

Occasions exist when the Mail Room must use UNDP, or air freight or other courier services. Shipments sent via UNDP, which sells its service to other international organizations, have been known to take as long as four or five weeks, says Mr. Russell.

Part of the problem is that passenger baggage has priority over cargo. If passenger traffic is heavy, the larger UNDP pouch is likely to be bumped. Personal mail and packages of personal items including clothing or foodstuffs should not be sent through the pouch. “If we receive clothing or foodstuffs, we notify the staff members that their packages are here and ask them how they want us to dispose of the goods. Often a friend will come and pick it up,” says Mr. Russell.

For staff stationed in field offices, the Mail Room will also forward personal mail, such as charge account and bank statements. For example, if a staff member is stationed in Abidjan, all you need do is arrange to have the business mail addressed to: Name of Recipient, Abidjan, The World Bank, 1818 H Street, N.W., Washington, D.C. 20433.

The Mail Room will also send emergency items that staff in field offices need but may be difficult to get overseas, especially such things as medical supplies and eyeglasses. Material for the pouches should be in the Mail Room by 11:30 a.m. on the day of departure. Departure times may vary, and Mr. Russell advises staff members using the pouch to verify them with the Mail Room.

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**Bank Staff Member Dedicates Deeds to Local Community**

**Thelma**

by Jill Roessner

The first thing you notice is the smile. Thelma Jones’ whole face lights up when she talks. Her eyes sparkle with enthusiasm as she reminisces about the journey that brought her, 13 years ago, from her tiny hometown of Snow Hill, North Carolina, to Washington, D.C., from the security of a large, loving family to the challenge of working at The World Bank and, eventually, to serving as President of the Southwest Neighborhood Assembly.

“My parents were sharecroppers (tenant farmers),” she says, “but my mother wanted something better for her children. “Not that there’s anything wrong with farming,” she hastily adds, “but my mother hoped some of us would venture further afield and seek new opportunities.”

Ms. Jones gives a great deal of credit to her parents and the kind of example they set for their eight children. From them she learned about civic responsibility.

When Ms. Jones finished school, she went to work for the local Neighborhood Youth Corps which found summer and after-school jobs for underprivileged youngsters. Her employers encouraged her to continue her education, and she enrolled at Durham College in Durham, North Carolina, working her way through school by holding a part-time position in the

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**Diplomatic Pouch and Courier Services to Resident Missions**

**Monday**
- Bogota
- Kinshasa
- Yaounde
- Bamako

**Tuesday**
- Nairobi
- Accra
- Abidjan
- Niamey
- Jakarta
- Dhaka
- New Delhi

**Wednesday**
- Dar es Salaam

**Thursday**
- Lagos
- Islamabad
- Abidjan
- Kampala
- Lusaka
- Dakar
- New Delhi

**Friday**
- Lome
- Cairo
- Cotonou
- Jakarta
- Riyadh
- Khartoum
- Yaounde
- Bujumbura
- Dhaka
- Antananarivo
- Bangkok
- Ouagadougou
- Nairobi
- Mogadishu

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Photo by Giuseppe Franchini
Secretarial Science Department.

After graduation, Ms. Jones' mother decided this particular daughter should spread her wings, and she persuaded her to go north to Washington, stay with an aunt, and try to find a job in the city. Ms. Jones was hired by a temporary agency, and, after a couple of weeks, assigned to The World Bank. She's been here ever since.

She became a permanent staff member in 1973, and was a Staff Assistant in the Transport Unit, Operations Evaluation Department, until 1978 when she joined the U.S. Executive Director's Office where she remained until last year. But the demands of a 3-year-old son are such that she could not manage the overtime necessary in that job, so now she is part of the Bank's Temporary Assignment Program.

If it were just a question of juggling motherhood and a full-time job, you get the impression that Thelma Jones has enough energy to handle it with one hand tied behind her back. But that's only part of her life. Ms. Jones came to the attention of The Bank's World because of her outstanding contributions to her community, Southwest Washington, D.C.

A Georgetown University professor who is also a Southwest resident and Secretary of the Southwest Neighborhood Assembly, writes: "Under Ms. Jones' guidance, the Assembly has grown in vigor, motivation, and public recognition."

A Void in Her Life

Ms. Jones describes how it all evolved. She had been active in her college alumni association, but the college closed down, leaving a void in her life. A flyer was put under the door of her apartment, inviting her to a community meeting. She was curious. She attended the meeting and joined the Scholarship Committee.

This was a natural for Ms. Jones who'd had that kind of experience back home, working with young people. In her new role, she helped identify local youngsters who were eligible for scholarship aid and organized a successful benefit concert.

Subsequently, her area needed a representative to the Southwest Neighborhood Assembly, and she was elected.

Her dedication and enthusiasm resulted in her election to the position of Vice President of the Southwest Neighborhood Assembly in 1984, and when the President had to resign for personal reasons, she was persuaded to succeed him.

Poor Pushed Out

What is the Southwest Neighborhood Assembly all about? Ms. Jones describes the situation that exists there, pointing out the vast differences among her constituents. "Thirty years ago," she says, "Southwest Washington was the home of poor black people. There are still many poor black families, but the area was targeted as part of a national urban renewal effort, and some of the poor folk were pushed out, their homes demolished to make way for expensive apartment buildings and town houses.

"The upper income group has different problems from the poor," she observes wryly. "For instance, the wealthier residents are concerned about protecting the aesthetics of the waterfront and surrounding area. Poor folk need housing and jobs."

Reconciling the diversity of needs among the Southwest residents appears daunting, but Ms. Jones knows that people from different cultural backgrounds can work together; her years at The World Bank have made that clear. And so can people at either end of the economic scale. Each has something to offer the other. The poor young people of Southwest may not have had material advantages, but they do have youth, vigor and enthusiasm, and if that energy can be channeled into constructive ventures, then those young people have a better chance to avoid the drug scene, find employment and self-respect—and be an asset to their community.

The wealthy residents, among whom are many lawyers, senators and other professional people, discover that they cannot move into a neighborhood that is also home to many poor people and impose their own set of values which are irrelevant to someone who may not know where money is coming from to pay the rent.

Through the efforts of the Southwest Neighborhood Assembly, thanks to concerned citizens such as Thelma Jones, programs for young people have been created to teach them marketable skills. Volunteers are training youngsters to fill out job applications, write resumes and learn word processing. "You know what a useful skill that is at the Bank," Ms. Jones points out.

How did they get a word processor? "We've received grants from many foundations," says Ms. Jones, and it turns out that she was responsible for revitalizing the Southwest Community Council, which serves as custodian of funds for the Assembly's tax-exempt activities. The Council had virtually died from neglect over a number of years, but Ms. Jones recruited 21 prominent figures in the Southwest as Directors.

Back to School

According to the professor who contacted us, the Assembly recognizes its good fortune in having Ms. Jones' contributions. He writes glowingly of her leadership, administrative and fund raising abilities, her high standards and diligence. His letter was partly inspired by the fact that Ms. Jones reluctantly retired from the presidency earlier this year. She's going back to school. Not full-time—she'll stay on at the Bank and pursue another degree. That just doesn't leave enough time for her volunteer activities, at least not on such a large scale.

And what about her son, Jamal? Is she, like her own mother, ambitious for her child? Will he be president of something one day?

Ms. Jones smiles and admits she's not looking quite that far ahead.

"Right now I'm grooming him for the Young Professionals Program."

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A View of Some National and International Economic Issues

In a speech before the European Foundation for Management Development in Geneva recently, S. Shahid Husain, Vice President, Operations Policy, addressed some issues of national and international economic management. Here are excerpts from his remarks:

By all accounts, the growth and development of the countries of the Third World have been impressive. During the decades of the 1960s and 1970s, even the low-income countries increased their per capita Gross Domestic Product (GDP) by more than 1.5% on average, for instance.

There is as much variety in development experience as there are developing countries. As a group, the countries of East Asia have fared better than any other group. They have benefited from being amid the most rapidly expanding market in the world, helped by the expansion of Japan, its technology and capital flows. As a group, the economies of East Asian countries have been more open than economies of other developing countries. They have benefited from external trade, but more importantly, openness has brought about in their economies substantial flexibility and ability to respond to changing economic environments.

Inward-Looking Policies

Even though growth and development in other regions have been impressive, in many countries inward-looking policies have generated rigidities and misallocation which have retarded growth, and in the case of Latin America and Africa made the economies highly crisis-prone.

Korea, which as recently as 1960 was regarded as a case for concessional external assistance, has had an average annual growth rate of 8.5% during the last 20 years. During the same period its exports have increased at an annual rate of 27%. The population growth has declined from 2.6% to 1.7%.

I do not know of any developing country where the emphasis on literacy and education has been greater. During the last 20 years, the enrollment rate in secondary schools has increased from 27% to 85%. Despite a high investment rate and a high expenditure on defense, public expenditure on education averages 4% of GNP.

A second aspect of Korea's economic development is a phenomenal growth in the variety and depth of public and private institutions which support economic development and benefit from it. There is considerable evidence of social and institutional mobility. Within the government, institutions of general economic management have been built up and have attracted able persons at all levels. While Korean governments have by no means been democratic, in economic matters they have been able to generate consensus on broad objectives.

Clear and Consistent Signals

Korea has by no means been a laissez-faire economy. It is one of the most managed economies in the developing world, with clear investment, savings and export objectives and borrowing plans. Yet, this management has supported an expanding and thriving private sector rather than circumscribed and suppressed it. Equally important, while key prices such as interest rates, exchange rate, wages, public utility tariffs and many commodity prices have been managed by the government and the government has had a heavy hand in the allocation of capital and foreign exchange, the important objectives and signals have been clear and consistent.

In addition to the emphasis on human resource development, another enduring theme has been exports. Here, every single aspect of government policy was mobilized to achieve targets—e.g., exchange rate, preferred credits and access to tax-free imported inputs. There is little evidence that government policy seriously distorted the scarcity value of productive factor for any length of time.

Another case in East Asia is Indonesia—very different from Korea 20 years ago and now. Nevertheless, here is another case of impressive economic development.

The growth of the Indonesian economy averaged 5.8% during the last 20 years. The general mortality rate has declined by 43% and infant mortality by 33%. During the
same period, the enrollment rate in secondary education went up from 6% to 30%. Indonesia has no doubt benefited from a substantial increase in its oil production and oil prices, but another country which had a similar good fortune had no increase in its per capita GNP during the entire decade of the oil boom. So, there must be more to Indonesia’s development than oil.

Some of the factors mentioned in the case of Korea are apparent in Indonesia, although not to the same extent. Indonesia’s economic history before 1965 is commonly associated with populism, chaos and confusion. But perhaps two contributions of that period have had an enduring impact on subsequent developments. First, a sense of cohesion and national identity engendered by the struggle for freedom. Second, the development of a national language and commitment to universal basic education. During the last 20 years, Soekarno’s successors have built on these important foundations.

Unlike Korea, the growth of the private sector and the diversity of institutions are not particularly impressive, and there is a lot of monopoly rent to be derived from access to scarce resources such as credit and permission to establish enterprises. Yet, like Korea, signals and policies have been consistent.

**Rural Terms of Trade**

Unlike a number of other OPEC economies, Indonesia has channeled massive resources to improving production and opportunities in the rural areas. Rural terms of trade have been maintained through support of agricultural prices, supply of inputs and credits and expansion of rural infrastructure. In the management of exchange rate, which has been a particularly difficult issue in petroleum economies, the government has been attentive to the need for continued expansion of the domestic production base. Lately, even the domestic petroleum product prices have been brought close to the international prices.

While Indonesia has had its economic and financial crises—and no doubt there are many cases of waste and uneconomic use of resources—the overall impression is one of responsiveness to changing economic circumstances.

Korea and Indonesia have both made extensive use of external resources. Also, in both countries, the governments directly or indirectly affect economic decisions in practically every sector of the economy, yet there was considerable stimulus to the private sector—in industry and agriculture in Korea and in agriculture in Indonesia.

In a third country, Brazil, natural resources make this nation perhaps the richest of developing countries. Its growth record in industry and agriculture has been impressive. Yet, there are three aspects of Brazil’s economic development which detract from its record: (1) the benefits of its growth have been unevenly distributed among different sections of the population; (2) the management of aggregate demand and fiscal expenditure has not been commensurate with the growth of the economy’s real resources, making inflation inevitable; and (3) a development process and demand management which depended on heavy external borrowing has led to a crisis which has jeopardized the continuation of meaningful economic growth.

Today, Brazil uses 50% of its export earnings to pay interest on external debt; it has to generate an export surplus of more than $10 billion and its per capita consumption may not resume the 1980 level until early in the 1990s. There are long-term issues, such as the lasting impact of Brazilian populism on people’s expectations, but I should like to mention a few proximate and mundane questions. First, a country which borrows heavily to develop cannot afford to ignore exports. Brazilian exchange rate, tariffs and other protectionist policies have too long discriminated against production for exports. Second, one cannot subsidize everything—production of steel, consumption of power, interest on industrial and agricultural credits, etc. Third, when inflation becomes a habit, management of prices and claims becomes extremely difficult. The room for flexibility is reduced. The very distortions which brought about the debt crisis—subsidies on capital, inadequacies of the exchange rate and trade regime and the proliferation of the public sector—may also have contributed to some of the deficiencies of the Brazilian development process.

Turning to Sub-Saharan Africa, the average per capita income in that region has been declining for 15 years. With the exception of a few countries, there has been a simultaneous decline in per capita food production. At an aggregate level, until recently there has been an increase in investment; investment averaged 22% of GDP during 1970-81. Inadequacy of growth, therefore, has to be explained in terms of the declining efficiency of resources.

**Novelty of Nation State**

Let me say at the outset that the development path for African countries is inherently difficult because of the novelty and artificiality of the nation state amid the tribal structure, population pressure and the inherent difficulty and hazards of moving from shifting cultivation to settled agriculture in a fragile ecology. But the task has been rendered particularly difficult by the way certain policies and institutions have evolved in a number of African countries.

First and foremost, there has been an institutional failure in many countries. Not only had local people to replace foreigners in government departments, but there was a substantial expansion of the functions of government. Equity and opportunity were often equated with direct management and ownership of enterprises by government organizations. This proliferation of governmental functions has strained the capacity of governments where manpower was at best inadequate to cope with traditional functions. Import of capital and skills helped, but often the priorities in
investments were those of foreigners—in the worst cases of the foreign sellers of equipment and finance. In the majority of African countries, the systems for budgeting, accounting, selection of investments and monitoring of investments are grossly inadequate.

Proliferation of public enterprises has not only strained management capacity but introduced certain fundamental conflicts between the governments' various functions. It is natural for a public sector industrial enterprise to lobby for import restrictions and high tariffs to protect its profit or to curtail its losses. Public enterprises also obstruct new entry and limit competition. In certain cases, their free access to credit from banks inhibits overall monetary and fiscal management. These issues are endemic in African economies.

Many African countries have followed policies which inhibited agricultural growth. Agricultural prices are often controlled and below border prices. Although prices of input and terms of agricultural credit are often subsidized to compensate for this, the benefit goes to the few who have access. Highly protected industrial import substitution in an essentially noncompetitive environment implies another tax on the rural population. In a number of countries, marketing boards with monopolistic or semi-monopolistic powers divert marketing surplus for general budget as well as non-agricultural purposes.

In sum, many African governments are overextended in terms of the management task they have undertaken. The policy framework penalizes flexibility and responsiveness.

The development of the Third World has largely been the result of national effort. But much of it would not have borne fruit without a hospitable international environment and substantial international support.

The Bank's Future Transportation Role

Robert Picciotto, Director, Europe, Middle East and North Africa (EMENA) Projects Department, discussed the future transportation role of the Bank at the Transportation Sector Staff Development retreat held in late June at the National Press Club in Washington, D.C. Here are excerpts from his remarks:

The future of Bank activities in the transport sector depends on three interrelated factors: (a) the fortunes of the global economy and, in particular, those of developing countries; (b) the special and varied constraints influencing the provision of transportation services in the developing countries; and (c) the ability of the transportation establishment within the Bank to respond effectively to new clients' needs.

By its nature, demand for transportation services is connected to the business cycle—within and among countries as well as within and among sectors. Therefore, Bank transportation work is fundamentally affected by global economic developments and by the importance of trade in these developments.

In recent years, the major global engine of growth has been the services-led U.S. economic recovery. International trade has grown slowly and this has led to growing competitive pressures in the transport business. In parallel, emergence of high real interest rates has provided a powerful incentive to enhance the efficiency of capital invested. As in other sectors, more must now be done with less. Investment criteria must become more demanding, and greater attention must be given to cost reduction, effective operation and maintenance and improved management. These factors are likely to continue characterizing the global context of transportation lending for the remainder of the '80s.

Despite the debt crisis and other dysfunctions of the international economy, the global trade and financial system has proved resilient. But it has been unstable—requiring constant and substantial adjustments at the national and sector levels. A major lesson of the late '70s and early '80s has been the growing differentiation in response by various developing countries. Middle- and low-income countries in Asia and the Mediterranean basin willing and able to adopt flexible, outward oriented policies—and to ride the wave of technological change and evolving global market opportunities—have done better than others. By contrast, the poorest countries of Africa and the Caribbean, too small and underdeveloped to take advantage of such opportunities, have been losing ground. Therefore, in transportation as in other sectors of Bank activity, the range of Bank-offered services must be increasingly differentiated.

Pragmatic, flexible, client-oriented responses (rather than standard, "by the book" answers) are at a premium. However, in all countries, transportation work will need to incorporate policy and institutional reform more explicitly than it did in the past. This will, of course, mean different...
things in Sub-Saharan Africa than it does in, say, Latin America. A well adapted mix of skills will be needed to meet individual country situations. Hence, the need for increasingly sophisticated management of the human resources available to the sector.

Country differentiation will need to go hand in hand with a greater capacity to handle the following kinds of tasks:

Public expenditure reviews—Severe budgetary constraints in less developed countries are unlikely to lift soon, so that more sophisticated advice on the relationships among project evaluation, investment program design, and public finance management will be needed;

Public enterprise reform programs—Advice on the restructuring of the finances and organization of publicly owned transport agencies will remain in demand;

Transportation policy assessments—Alongside such traditional topics as tariff policy, operation and maintenance arrangements and investment criteria, there will be a continued demand for advice on deregulation, privatization, subcontracting, private funding of transportation infrastructure, etc.; and

Specialized advice—Our clients will continue to need relevant and up-to-date advice on such topics as multi-modal planning, sector-wide human resources development, technology choices for vehicle design and construction, application of computer to transport sector management, etc.

Of course, the Bank is not the only organization on the scene. In the international transportation equipment and construction market, a growing source of competition has been bilateral aid and export credit agencies. The Bank’s procedures and standards, imposed by its mandate, contrast with the relatively unconditional content and attractive financial terms currently being offered to promote bilateral exports of goods and services. Some erosion in the Bank’s strategic position within the sector has resulted.

The answer is not to dilute the quality of Bank lending. Rather, it is to enhance the Bank’s influence in the surveillance of transportation investment programs, improved coordination with other donors (including cofinancing), and a readiness to consider “time slice” or quick-disbursing assistance to facilitate policy reform in the sector (adjustment lending). All these activities require Bank staff to provide comprehensive, up-to-date and relevant transportation policy advice.

The achievement of this new role is also dependent on better management in the sector. The average size of operations may have to be larger. Increasingly, routine supervision and project preparation functions should be delegated to borrowers. Better coordination with other sectoral divisions and with IFC is required. Thus, the major challenge is to adjust the strategy, shared values, skills, staff and systems of the Bank’s transportation establishment.

We will need to select, motivate and coach staff to deal with technical agencies and ministries at high levels; keep up-to-date with developments in the sector and in the key professional disciplines involved; and maintain links with groups able to deliver specialized advice on short notice. We will have to set up relatively large projects divisions manned by “general practitioners” who have had “hands-on” experience in sectoral planning and transportation enterprise operations. Elite specialists in engineering, finance and economics will be required. Professional in-service training will need to be more systematic.

If these things are done, transportation will continue to be at the cutting edge of the Bank’s evolving development role.

Port Planning

Hans Peters, Deputy Division Chief, East Asia and Pacific Projects Department, Transportation 2, recently spoke at a conference in Jakarta where he warned of a fast changing world in which some sound concepts of the recent past—particularly in port planning—are often inappropriate today. Mr. Peters’ remarks were made at the Portec conference attended by government officials, port managers, and shipping industry representatives from the Asian region. Here are excerpts from his remarks that appeared in the April 1985 issue of Maritime Asia:

Many port developments conceived a generation ago and now obsolete have not been adapted in line with recent developments. Further, many countries were cajoled into unjustified or premature investments which are now financial millstones.

By all projections, Asia is becoming the most economically active region in the world, and its fast growing population is generating a high demand for services. However, Asia’s developing nations are traders, and as with all trading nations, it is their partners on the outside who dictate
how a country will ship its cargo. Ports are developed for users and must attract their customers. Key ports, therefore, have no alternative but to gear up technologically to compete with the rest of the world but, as with the computer industry, the ports and cargo handling industries are subject to early obsolescence. With the conflicting forces of increasing dollar saving developments on the one hand and the developing countries’ race to get the edge on their competitors on the other, the region’s shipping and ports industries have to be conscious of these hazards.

There is an increasing need for freight forwarding services in the region, and these services will open the door wide for training needs in particular.

At $800 a container point to point transport, the new breed of round the world container services must use a load centering system of picking up cargo in one hub and dumping it in another. From this will evolve a worldwide network of hub feeder port systems. In Northern Europe, Rotterdam looks set to play the role of hub port. In the Mediterranean, “gung-ho” little Malta is busy trying to develop this role and is logistically and strategically well placed to carry it off. Similar nodal hubs are developing on both coasts of the United States.

In the Far East, Singapore and Hong Kong possess very important ingredients to take on this role. Besides their geographical positions, they have the commercial infrastructures and they can offer financial services for shipper and carrier. Without such support, a port stands very little chance of making it as a hub.

Due to immense fiscal restraints, countries cannot give limitless support to their transport industries, and The World Bank is helping countries in the Far East toward efficiency while attempting to preserve national aims. This is quite a job, but the areas they are working on together emphasize better utilization of existing facilities.

Redeployment of labor away from the quayside toward the strip/stuff operation which itself is labor intensive is important. Following this approach a step further, the freight forwarders as experts in intermodal transport have an important role to play. Interfacing the ports with the roads, railways and inland waterways is an area of study to be pursued and developed.

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**Physical Fitness Program in Swing**

The Medical Department’s Physical Fitness Program, utilizing existing exercise facilities in the H and I buildings, is in full swing.

The H building exercise facility is in Room HB1-030, the I building in IB1-100. Both include a large exercise area, exercise bicycles, and men’s and women’s locker rooms equipped with showers, bathroom facilities, and sauna. In addition, the H building room has 11 stations of Nautilus equipment.

The program began after consultations with the Staff Association and others and includes a contractual arrangement for the overall administration of the facilities, warranting implementation of a fee-based membership schedule to cover contractual costs. MED staff, representatives of the Staff Association, exercise instructors, and participants will manage the program.

MED has retained the YMCA of Metropolitan Washington to provide fitness facility services, including supervision of the Nautilus equipment and overall administrative maintenance of the facilities. Two fitness specialists are available to provide these services. Also available, at no additional cost, will be provision for optional assessments of your physical fitness on a periodic basis. These assessments will serve as a guidepost for your progress in the exercise programs.

There are three categories of membership.

**Full Membership**—Use of all facilities, space and services, including Nautilus equipment, exercise classes, saunas, lockers/showers, optional fitness assessment, and Fitness Specialist services: $85 a year.

**Nautilus Membership**—Use of Nautilus equipment only, saunas, lockers/showers, optional fitness assessment and Fitness Specialist services: $60 a year.

**Exercise Membership**—Use of space and equipment other than Nautilus, participation in exercise classes, use of saunas, lockers/showers, optional fitness assessment and Fitness Specialist services: $25 a year.

These fees do not cover the costs of exercise classes which non-Bank instructors will teach. The payment of these fees will remain the staff member’s responsibility.

The use of lockers/showers and saunas only, designated primarily for those who bike or jog, is provided at no cost.

All Bank/IFC staff are eligible for membership. In addition, membership is available to long-term consultants and full-time Bank temporaries. Due to liability and space considerations, use is not extended at this time to other non-regular staff or to spouses and/or dependents of any staff.

The facilities are open Monday through Friday from 7:30 a.m. to 9:30 a.m., from 11 a.m. to 2 p.m., and from 4:30 p.m. to 7:30 p.m., except holidays.

Staff may apply for membership in the H building exercise facility during operating hours.

For further information, contact the fitness specialists on Ext. 33339 or 61137.
On the Job and off the Job

A Love of the Sea

by Jill Roessner

Not many people are fortunate enough to combine a vocation and an avocation so that their lives can revolve around one abiding passion. But John Lethbridge, Senior Ports Engineer in the Transportation Department, seems to have achieved such a lifestyle. For more than 30 years, almost all his time has been devoted to rivers and seas.

When he was a student at London University in the early 1950s, Mr. Lethbridge was preparing to be an aviation engineer. But he started sailing on the Thames, became enamored of the sport, and changed his specialty to maritime engineering.

Largest Terminal

His first job was that of a junior engineer working on the construction of what was then the largest marine terminal in Europe—at Fawley, Southampton, U.K. Subsequently, he has worked on the building of two airports, both on reclaimed land, the design and construction of offshore oil structures and tanker berths with British Petroleum and, until he joined the Bank in 1974, as the senior partner of a consulting firm specializing in maritime projects.

He has also been involved in the design of several yacht marinas, including the Royal Jamaica and Royal Nassau Sailing Clubs, and Road Town, Virgin Islands. In fact, his entire engineering career has been expended on the creation of harbors, jetties, and the like. And nearly all his leisure time has been spent afloat.

He bought his first boat in 1953, and he has never been without one since. He is a citizen of Jamaica and it was there he met his wife, Rosemary, on a boat. Mr. Lethbridge admits he was determined not to wed anyone who was not already nautically inclined because he’d seen too many marriages break up when one partner loved to sail and the other did not.

The Lethbridges live in Annapolis, Maryland, as do some 30 other Bank staff, many of whom share an affinity for the water. Over the past few years, quite a number of them have crewed with Mr. Lethbridge. He is not the only Bank staffer to sail and race on the Chesapeake, but he is the only one attempting to race a competitive International Offshore Rule (IOR) class boat.

He has clocked nearly 10,000 miles in his present boat, “Trepidation,” which he has owned for six years. The Douglas Peterson-designed, 34-foot, glass/carbon fiber, IOR-class racing boat is a far cry from the dinghies he sailed in his student days, but nonetheless “it has now been ‘out-designed,’” he says, “by a new breed of Bruce Farr 37-foot boats.”

He maintains his boat on a “shoestring.” Family and friends are the crew. He needs seven for daytime sailing, and eight for sailing at night (when the crew has to stand watches). He races on the Chesapeake virtually every weekend from the end of April until the end of October, and, he claims, “even if we seldom win, at least we’re never last.”

A Family Affair

Sailing is a family affair for the Lethbridges, but being a physician, Rosemary Lethbridge has her own demanding schedule and cannot always sail with her husband, although she is a valuable navigator and helmsman whenever possible. Their three sons, ages 17 to 22, are also keen sailors, but all are abroad working or studying now.

Racing for “fun and glory” and working for a living are intermingled in Mr. Lethbridge’s lifestyle, where his passion for things maritime is all encompassing. He is intensely interested in the problems of navigation and, when he is not in the office or on his boat, can probably be found reading about his favorite topic, keeping up on developments in the field, which also overlaps with his Bank work, such as the Zaire river navigation project.

In 1984, the British Institution of Civil Engineers awarded him the Frederick Palmer Prize for his paper, “The World Bank—Maritime Engineering.” But ask him if there is one project or accomplishment of which he is most proud, and he will tell you about Turtle Beach, Ocho Rios, Jamaica.

On the White Sands

Today, that popular resort is probably the most important center of Jamaica’s tourist industry, but it wasn’t there 18 years ago. Most of the visitors, sunning themselves on the white sands, don’t know, and probably don’t care, that this beach was made by man, namely John Lethbridge.

The project stemmed from his suggestion to the government that a major tourist resort could be developed by the creation of an artificial beach, 1 km in length, together with a yacht marina, cruise ship terminal and substantial land reclamation to accommodate hotels, apartments, town houses, shopping centers and other related facilities.

The Lethbridges have an apartment at Ocho Rios and a house elsewhere in Jamaica, spending a month there each Christmas. They plan to retire there eventually. But in the meantime, what about the other four winter months when the weather here is not conducive to sailing?

“That’s when I catch up on reading and do all the maintenance work on my boat,” he says.
New Executive Director
Kenneth Coates has succeeded Carlos A. Corti as Executive Director representing Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay. A Uruguayan, Mr. Coates worked as an economist in the IMF from 1977 to 1979 and as an Executive Director’s Assistant in The World Bank from 1979 to 1981. He returned to Uruguay to become Economic Advisor in the Ministry of Economy and Finance, a post he held until his appointment in the Bank. Mr. Coates, who has an M.A. and a Ph.D. in Economics from Stanford University, California, was also a Professor of Economic Development Theory at the Universidad de la Republica in Montevideo.

EDI Seminar for Chinese Officials
The people who attended the Economic Development Institute’s Senior Policy Seminar for Chinese officials were those who will carry out economic reform in China. “It was difficult to get them together at the same time,” says Shu-Chin Yang of EDI. Yin-Kann Wen, also of EDI, and he were in charge of the three-week session in Washington, D.C., in June.

“China’s 1984 decision to undertake economic reform was epoch-making,” Mr. Yang says, “and it will have profound effects on the life of the Chinese. What we tried to do in the seminar was to let our minds meet and mingle. We attempted to find alternative ways to solve various economic problems we studied. No one can build the road to a socialist economy with Chinese characteristics except the Chinese themselves.”

Twenty-six directors and deputy directors, largely from central government ministries and commissions, attended. The seminar covered such topics as policies of The World Bank, market mechanism and planning, development strategies, national development policy instruments, and international economic policies and management.

Why Higher Parking Fees?
As Bank/IFC staff who use Bank parking facilities are aware, the monthly cost of parking in a Bank garage—whether in-house or in leased commercial spaces—went up July 1. The reason is that parking is a service to staff, and, as a service, it should pay for itself. In the past, all costs have not been recovered.

Parking rates depend on two factors: (1) the costs of running the Bank garages, and (2) the cost for commercial space. The space in Bank buildings is free but the Bank charges for running the service—the fees paid to the parking management company, plus heating, lighting, maintenance, and security. To keep these costs down, the Bank recently reduced the number of parking attendants and also overbooks space because so many staff travel.

On the other hand, commercial space is expensive although costs are kept in check by competitive bidding. Parking rates are set by averaging these two costs, with Bank parking costing more than commercial space because of the added convenience. What this means, of course, is that the cheaper in-house parking subsidizes the more expensive commercial space. ADM is working on meeting the demand for parking places by leasing
In addition, as part of the seminar, participants visited a number of other institutions in Washington, including the U. S. Office of Management and Budget and the Federal Reserve Board. A five-day field trip to New York City followed, with visits to the United Nations, the Port Authority of New York, the American Stock Exchange, and First Boston Corporation.

The seminar, conducted in English and Chinese, was the second high level seminar for Chinese officials EDI has conducted. The first one was held in 1981 when the People's Republic took its seat in the Bank.

Medical Costs Continue to Rise

Medical inflation continues to affect staff and Bank/IFC contributions to the Medical Insurance Plan.

With medical costs expected to exceed the overall rise in the cost of living, Bank/IFC and staff contributions to the MIP have been increased. They will be 8.4% higher in FY86 than last year. The Bank/IFC will absorb two-thirds of the rise; staff will pay the rest.

“The increase comes despite wide use of the Preferred Pharmacy Program, which allows for discounts and the use of generic drugs, and recognition by staff that preventive and quality care can help reduce overall medical bills,” says R. A. Clarke, Director, Compensation Department. However, in FY85 staff claims against the MIP increased by 13.2% to $16 million.

In addition to raising contributions to the MIP, the Bank/IFC have adopted some plan changes aimed at further encouraging the use of preventive and quality care. (The Preferred Pharmacy Program will continue, too.)

Here are the major changes:

1. The limit for covered charges for spouses, dependent children and retirees for annual physical examinations will increase to $150 for adults and $90 for children.

2. A new coverage of one gynecological examination is included within the dollar limit for the annual physical.

3. The MIP will cover immunizations except those for operational and benefit travel for staff and their families. The Bank/IFC provides those shots at no cost.

4. Staff who use a private doctor, either in the doctor's office or in a clinic, will receive increased reimbursement (90%) for charges related to either surgery or to medical expenses incurred within 48 hours of an accident. In addition, the deductible will not apply. However, the reimbursement rate for those charges in the outpatient department of a hospital will be lowered to 90% so as not to encourage this often higher cost care. Staff may choose either site of service and receive the same reimbursement percentage.

5. A family limit has been introduced in the stop loss provision, limiting the non-dental, non-psychiatric out-of-pocket costs to $4,000. The trigger point for the individual stop loss remains $2,000. Thus, once the family has $4,000 in out-of-pocket expenses in a calendar year, the major medical reimbursement percentage increases from 80% to 100% for the remainder of the year.

Relatively minor changes have been made in the areas of speech therapy, psychiatric treatment, and in the Sponsored Plan.

How to Keep Medical Costs Down

Containing medical costs remains an important objective for the Compensation Department, says Lou Michaels, Chief, Benefits Division. “Our Medical Insurance Plan costs,” he notes, “are a direct function of the claims our insurer pays. There is a common, but incorrect, impression that the savings go to the insurer. Wrong. The cost of the program is determined almost entirely by the claims paid.”

Mr. Michaels says that in FY85 the reimbursements to staff, retirees, and direct payments to hospitals and other providers were about 94% of the total
cost of the Plan. "Accordingly, the success of participants in obtaining the most cost-effective care in treating their illnesses has a direct impact on future contributions, as well as on each person's out-of-pocket expenses. The staff member holds the key to keeping the cost of our program down."

Last August, *The Bank's World* offered some tips on keeping costs down. "Those tips are worth repeating," says Mr. Michaels. Here they are:

Ask yourself these questions—

*Do I have the right doctor?* Consider a consultation with a second doctor about fees, office hours, back-up arrangements for nights and weekends, the hospital the physician uses, and his or her specialties and credentials.

*Do I understand what my problem is?* Doctors occasionally use technical terms. Ask for explanations. Drawings or pictures often help comprehension. Ask if there is any literature available about your problem. Sometimes having another person with you helps you focus on the right questions to ask before making a decision.

*Do I really need these drugs?* What are the side effects? Will they react with other medications you are taking? Are there withdrawal problems? Does your doctor approve your using the generic equivalent of a brand name drug (the generic is normally available at much lower cost)?

*Are these tests necessary?* Discuss each and every test with your doctor. Are they necessary? Why? What are the risks? Do the tests you’re taking overlap? Are the results conclusive? What does each test cost?

*Is hospitalization necessary?* If hospitalization is recommended, ask if there is an alternative, how long you will be hospitalized, how long convalescing, and can you have tests done prior to admission? Also, does the recommended hospital specialize in your particular problem?

*Is surgery necessary?* Ask about alternatives and the risks involved. Consider getting a second opinion. The Medical Insurance Plan (MIP) provides 100% reimbursement without the deductible for the first $100 of a second surgical opinion. If you have X-rays, take them with you when you go for that second opinion.

*How can I prevent my problem from recurring?* Sometimes it’s obvious. Other times, the physician will be able to provide you with important information on how to avoid or minimize the problem in the future.

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**Senior Staff Appointments**

**ELDON E. SENNER** has been promoted to the newly created position of Assistant Director, South Asia Projects Department, responsible for sector work and lending operations in agriculture in India, Nepal and Bhutan, and for liaison with the Population, Health and Nutrition Department for all countries of the Region. Mr. Senner, a U.S. national, joined the Bank in 1971 as a Young Professional. He became a Loan Officer for Brazil in the South America Department and in 1976 was promoted to Senior Loan Officer. He transferred to Agriculture Division 3, Latin America and Caribbean Projects, as Senior Financial Analyst in 1976; in 1978 he was promoted to Deputy Chief, and in 1980 to Chief. In 1982 he transferred to Southern Agriculture Division, Eastern and Southern Africa Projects Department, in the same capacity. His new position was effective July 15.

**CHANDER P. OHRI**, an Indian national, has been named Procurement Adviser in the East Asia and Pacific Region’s Projects Department. Mr. Ohri joined the Bank in 1969 as a Power Engineer in the Public Utilities Projects Department, with primary responsibility for procurement. In 1972, he transferred to the Power Section of the Public Utilities Division of the Asia Projects Department. He was promoted to Senior Power Engineer in 1975 and transferred, in the same capacity, to the Energy Division, East Asia and Pacific Projects Department, in 1979. His new assignment was effective July 1.

**LAURENS HOPPENBROUWER** has been appointed Resident Representative for Colombia, effective July 1. He has been serving as Deputy Resident Representative there since 1983. A Dutch national, Mr. Hoppenbrouwer joined the Bank in 1975 as a Young Professional. In 1976 he was assigned as a Loan Officer in Europe, Middle East and North Africa Country Programs Department II to work on Syria. In 1977 he was appointed as an Economist in the Resident Mission in Indonesia. When he returned to Headquarters in 1980, he transferred to Latin America and the Caribbean Country Programs Department II.
ANDRE HOVAGUIMIAN, a Lebanese national, has been appointed Director, Department of Investments, Africa I, IFC, succeeding Gunter Kreuter who will head the newly established IFC office in Paris. Mr. Hovaguimian joined the Bank through the Young Professionals Program in 1974, transferring to the IFC Middle East and Africa Department the same year. In 1979, he was appointed Senior Investment Officer in the Europe and Middle East Department, and was promoted to Manager of the Middle East Division within that Department in 1981. His new position is effective September 1.

RIDWAN ALI has been promoted to the position of Chief, Southern Agriculture Division, Eastern and Southern Africa Projects Department. Mr. Ali, a national of Trinidad and Tobago, joined the Bank in 1975 as an Agricultural Economist in Agriculture Division B, Western Africa Projects Department. In 1979, he was promoted to Deputy Division Chief. He transferred to his present division and department as Deputy Division Chief in 1983. His new assignment was effective July 15.

JAN WIJNAND, an Australian national, was promoted to the position of Agricultural Adviser, Eastern and Southern Africa Projects Department, effective last March 1. Formal announcement of his new job came last month. Mr. Wijnand joined the Bank in 1976 as an Agriculturalist in the General Agriculture Division, Eastern Africa Projects Department. A year later, he was assigned to the Central Agriculture Division. In 1979, he transferred to the Southern Agriculture Division where he was promoted to Senior Agriculturist, and in 1981 to Deputy Division Chief.

STOKES TOLBERT has been appointed to the Senior Staff Resources Program as Senior Adviser, Economic Development Institute, working primarily with EDI’s Studies Unit. Mr. Tolbert, a U.S. national, joined the Bank in 1959. His first assignment was in the Resident Mission in India as an Economist; later he served as Resident Representative. Upon his return to Headquarters in 1962, he worked as an Operations Officer in the South Asia and Middle East Department, becoming Division Chief a year later. He took a leave of absence from 1967 to 1969 to serve as Director of the U.S. Agency for International Development Mission in Indonesia, returning to the Bank as Chief of the Indonesia Division in the East Asia and Pacific Department. In 1972, he was promoted to the position of Director of the Tourism Projects Department, and was subsequently appointed Director of the Industrial Development and Finance Department in 1979. In 1982, he became Senior Adviser, Industry Department. His new appointment was effective July 1.

MAHMUD BURNEY has been named Resident Representative in the Bank’s newly established Resident Mission in Harare, Zimbabwe. Mr. Burney, a Pakistani national, joined the Administration Department of the Bank in 1954 as a Training Officer. In 1957, he became a Loan Officer, serving in the operations departments of South Asia and Middle East, and Africa. He then served as Resident Representative, reopening the Bank’s Ethiopia office in 1965, returned to Headquarters in 1967 to be a Division Chief, after which he went back to Africa to open the Bank’s office in Nigeria in 1970. Mr. Burney returned to Headquarters in 1972 and served as Training Adviser in the Central Projects Staff until 1974. For the past decade he has worked in the International Relations Department. From 1974 to 1978, he was Deputy Special Representative for United Nations Organizations. He became Resident Representative in Geneva for U.N. Organizations in 1979 and returned to Headquarters in 1983 as Senior Adviser for U.N. Affairs. Mr. Burney’s new appointment was effective August 1.
Retirees

Finlay Hutchison
July 1

Ernest Parham
July 1

Ada R. Tannen
June 30

New Staff Members

Peter S. Adams
United Kingdom
Senior Auditor/IAD/8/1

Alberto Agboniyitoh
Ghana
Economist/EPD/7/15

Homayoon Ansari
Iran
Project Officer/EGY/6/28

Guillermo A. Argumedo
El Salvador
Projects Asst./IFC/6/1

Michael Azefor
Cameroon
Population Specialist/PHN/8/1

Denise Britt
United States
Word Processor/AEN/7/1

Elie Canetti
United States
Research Assistant/EDJ/7/29

Gabriel A. Castilo
Argentina
Research Assistant/DRD/7/24

Jean-Paul Chapon
France
Engineer/IFC/7/1

Srirwan Chutikamoltham
Thailand
Young Professional/YPP/8/1

Sylvie Corbeil
Canada
Secretary/IFC/7/22

Lisa M. Desautels
Canada
Secretary/EMP/7/1

Brian F. Donnolley
Australia
Chief, Job Evaluation
Unit/COM/7/29

Francis J. Geary
Ireland
Power Engineer/EMP/7/22

John D. Green
United States
Word Processor/AEN/7/15

Charito H. Hain
Philippines
Word Processor/AEN/7/15

Harutaka Hamaguchi
Japan
Young Professional/YPP/7/1

Sabrina L. Hufniman
United States
Secretary/WA1/7/29

Chang-Lok Kim
Korea
Special Assignment/FPA/7/1

Brendan J. Kinna
United States
Operating Engineer/ADM/7/15

Daniel Lebow
United States
Research Assistant/CPD/6/27

Jeand'arc M. Lewis
United States
Secretary/ADM/7/29

Asko Lindqvist
Finland
ED's Assistant/EDS/7/1

Leslie C. Magos
United States
Secretary/ASNVP/6/24

Veronica Matson
Mexico
Secretary/IND/7/1

Patrick E. McGinley
United States
Operations Analyst/ADM/7/2

Susanne Misner
United States
Staff Assistant/EDS/7/15

Ohene O. Nyanin
United States
Secretary/EMP/7/22

E. O'Rielly-Campbell
Sierra Leone
Secretary/DRD/7/15

Nimalka Perera
Sri Lanka
Secretary/EMP/7/15

Ana C. Pinto
Portugal
Documentation Asst./ADM/7/1

Miguel Saponara
Peru
Public Sector Mgmt. Spec.
EAP/7/16

Francine Sauve
Canada
Secretary/ES2/7/15

Ernesto Schiefelbein
Chile
Education Planner/LCP/7/15

Vivi Scott
United States
Secretary/ES2/7/15

Jerry Silverman
United States
Organization and Mgmt.
Specialist/EAP/7/29

Nancy Snyder
United States
Editorial Assistant/PUB/7/25

Merced Swan
Philippines
Secretary/ESI/7/1

Susan Swannack-Nunn
United States
Operations Officer/IFC/6/25

Mitsuru Taniuchi
Japan
Economist/EA1/7/25

Brenda Thomas
United Kingdom
Secretary/AEA/7/8

Teresita Thonik
Philippines
Secretary/EAP/7/1

Peter A. Van Der Veen
Netherlands
Mining Engineer/IND/7/1

Donald Winkler
United States
Education Economist/LCP/7/15

Debra Young
United States
Secretary/IFC/7/22

Answer Line

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: I recently suffered a severe allergic reaction after eating a salad from the I building cafeteria salad bar. When I spoke to the cafeteria manager about possible causes, she admitted that many food items sold in the cafeteria contain MSG (monosodium glutamate), including the house dressing, the suspected culprit in my case. In the interest of staff health and in keeping with the Bank's policy to help staff keep track of food ingredients (e.g., calories, cholesterol, etc.), could the Medical Department not require the Marriott Corporation to flag items containing MSG as a courtesy to those of us who are allergic to it, or better still, ban its use in the cafeterias altogether?

Answer: MED consulted ADM's Food Services Section on your question. MSG, a flavor-enhancing amino acid compound, which brings out the flavor in foods containing protein, is not used in the more than 2,000 menu items prepared in the Bank, including the Chinese menu items featured in the I building cafeteria. MSG and more than 4,000 other chemicals are, however, commonly used in commercially processed and prepared food products. Although Marriott takes precautions wherever possible to avoid using chemical additives in food prepared in the Bank, MSG and other additives are common in commercially prepared foods purchased by Marriott from suppliers; consequently, it would be almost impossible to label all foods containing additives. Staff allergic to food additives should be aware that MSG is commonly found in Chinese food, canned soups, some potato chips, some processed meats (sausages, etc.), frozen dinners, "instant" foods, packaged, canned and
frozen sauces and gravies, salad dressings, and seasoning mixes (e.g., seasoned salt, Accent, etc.). Check with cafeteria managers about the use of MSG in individual menu items. They will willingly answer your questions. André Lebrun, M.D., Director, Medical Department.

**Question:** Why doesn't the Bank Medical Insurance Plan offer differential rates for smokers vis-a-vis non-smokers? When I asked the MIP people about this, I was told that it had been considered but rejected because to make one distinction might raise requests for other distinctions based on sex, etc. This is not an adequate answer. It is well established that smoking increases an individual's chances of becoming ill, and on average smokers have higher medical costs than non-smokers. Most important, a person's decision to smoke is voluntary and he can decide not to smoke. This is not true for any of the other forms of differentiation mentioned by the MIP. Finally, I have seen full-page newspaper ads by New York Life Insurance Co. saying they have differential rates for smokers and non-smokers. Therefore, it appears to be a Bank decision not to have differential rates.

**Answer:** You raise an important issue. You are correct in stating that the Bank rather than New York Life Insurance Co. determines the contribution rates for the Group Life and Medical Insurance Plans. It is also true that New York Life offers insurance policies with different life insurance rates for smokers and non-smokers. However, it is important to note that these New York Life policies are life insurance policies issued on an individual basis. The premium takes into account age and sex of the individual as well as an examination of the person's medical history. In other words, the premium is established on an individualized risk assessment basis.

This approach contrasts with both the Bank's Medical and Life Insurance Plans, both of which are costed and funded on a group basis. The spread of risk inherent in the group approach means that insurance is available to the whole group at reasonable rates. In the case of the Medical Insurance Plan, the Bank pays two-thirds of the total cost, and the remaining one-third is funded by staff contributions. Staff contributions for both types of coverage available (individual and family) are progressive, with higher contributions required for staff with higher salaries. In other words, it is an ability-to-pay approach. Also, the subsidized part of the Group Life Insurance Plan differentiates only according to the amount of insurance coverage, which in turn is solely a function of salary. Contributions to the unsubsidized part of the Group Life Insurance Plan—that is, the supplemental coverages—also vary according to broad age groupings. Age is the main determinant of the risk, and therefore the contributions, toward life insurance.

The ability-to-pay concept the Bank has adopted with respect to its contributory insurance plans is fundamentally different from the risk assessment basis insurance companies use in writing individual policies. If the Bank wished to base staff contributions on risk, basic fairness would demand differentiation not just between smokers and non-smokers, but also between different ages and occupational groups, drinkers and non-drinkers, etc. This approach would be difficult for any employer to maintain. The situation would be more invidious if risk were the basis for assessing contributions to the Medical Insurance Plan. Here the main determinants of risk and, therefore, cost are age and sex. A younger person has about one-fourth of the cost of medical care than that of an older person, while the cost of medical care of females is 25%-50% higher than that of males (even excluding maternity costs). A risk assessment approach could put medical insurance out of reach of those who need it most.

In short, there would be many problems if the Bank were to base contributions on risk. The Bank is not unique in this respect. There are thousands of group insurance programs in the United States, but we do not know of any that are currently making differential contributions between smokers and non-smokers. Louis P. Michaels, Chief, Benefits Division, Compensation Department.

**Hints on Feeling Successful**

A management consultant, Dr. Rodney Napier of New Hope, Pennsylvania, offers six ways to feel successful. His suggestions appear in Communication Briefings, a newsletter for decision-makers. Here are his hints:

- Gain access to information that could influence your career and life. You'll feel better about your decisions if you know they are based on the best available information.
- Learn how to be listened to. Offer solutions instead of more problems.
- Develop and write goals consistent with your talents. Nothing is more frustrating than agreeing to goals that you feel you aren't capable of reaching. Also: Unless a dream is written as a goal to command attention, it will probably remain a dream.
- Know how to get immediate feedback and personal counsel. You might do this by establishing a relationship with a mentor.
- Work where your efforts are appreciated. Although you shouldn't have to depend on others' opinions for a healthy self-image, praise often confirms your opinion of what you have done.
- Enjoy your work and your social life. A sense of humor helps create a balanced self-image and allows you to see your successes more frequently.
Letter to the Editor

Dear Sir:
It is a wet but warm day, and I have been going through various of your issues in my study. I have an urge to write to you and ask that you make some changes in your content and expressions.

I ask this in no carping way since in the old days when the monthly magazine was not glossy printed, etc., I contributed articles on travel, wrote a regular book critic column—that was when the Bank had a library for those who wanted to read other than IMF-World Bank texts—and I also wrote an article on the terrible language of the Bank with its isms, etc. I gather that article is still used in lectures at the University of Maryland. I give this background merely to show that I do, as well as criticize.

I showed The Bank’s World to a number of interested outsiders and from each I got a reaction—the same. The view was that the views expressed were pretty pompous and “did the Bank ever make a mistake or was it staffed with saints?” On reflection, it is true that your contributors don’t show the warts, only the beauty marks. My outside friends thought a little humility would not go amiss.

The Bank’s World would seem to be bounded by Washington environs and the travels of the Bank staff. What about an article from a retiree who did not just continue to live in the same area and had to rediscover living in what had become a strange environment, take driving license tests, understand different voltage currents, and respell with words not “à l’américaine.”

I would like to know how people coped who went back to Australia, Greece, etc. I know I had a job, and I envied my old colleague, Albert Waterston, who could organize his life while still in the Bank and had no problems of really moving house to far away places (see “My Experiences as a Retiree,” November 1984, The Bank’s World). I realize that over 70% of retirees finish up in the States, but what of the 30%? Someone reading the magazine for the first time could be forgiven for thinking that the Bank was an American institution which employed some foreigners.

After all that, I enjoy your magazine; it has come a long way from the typed exercise of years ago, but it has lost some of its sincerity.

C. J. Martin
Isle of Man

Editor’s note: We’ll look into the feasibility of writing the type of article Mr. Martin suggests.

As we go to press...

IDA, AFRICA FACILITY GET IBRD MONEY: The Bank’s Executive Directors have recommended to the Board of Governors that $150 million be allocated to the Special Facility for Sub-Saharan Africa and $150 million to IDA. The money comes from IBRD’s FY85 profit. The EDs have also allocated to the Bank’s general reserve $837 million from the net profit of $1.137 billion for FY85.

Including the $150 million now recommended for transfer as a grant, the recently established Africa Facility has pledges totaling $1.25 billion. The funds are to be used over the next three years to support economic policy reforms in the region.

FIRST DOLLAR BORROWING IN TOKYO MARKETS: The Bank has announced the first U.S. dollar borrowing in the Tokyo markets, consisting of $300 million principal amount of 10-1/2% ten-year notes of 1985, due August 15, 1995. The issue was offered at par and is non-callable. The yield to investors on a semi-annual coupon equivalent basis is 10.24%.

The net proceeds to the Bank from this borrowing will be used in the general operations of the Bank.

NEW RESIDENT MISSION: The Bank is establishing a Resident Mission in Nouakchott at the request of the Government of the Islamic Republic of Mauritania. Etienne Baranshamaje will head the office.

Mr. Baranshamaje, a Burundi national, will be in Nouakchott about mid-September. Currently, he is a Financial Analyst in the Power and Energy Development Division, Projects Department, EMENA.

Among other things, the Mission will facilitate the Bank’s policy dialogue with the Mauritania government and its agencies, assist in aid coordination, facilitate Bank field work in the country, and monitor economic development.