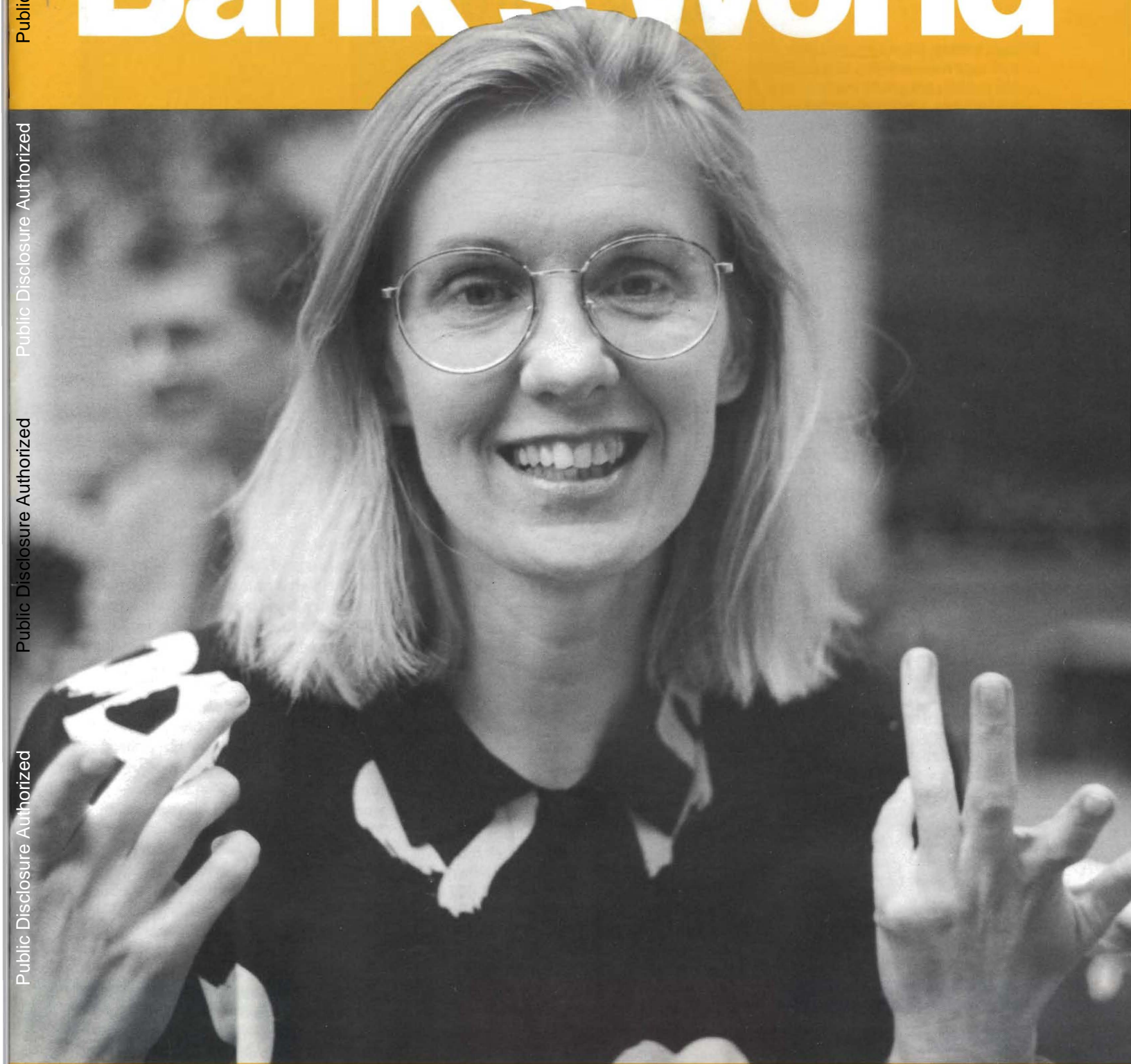


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the Bank's World



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Jane Kozlowski. Photo by Betsy Edison

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Living with MS

Jane's Story

by Betsy Edison

"It's always uplifting to see Jane. Her spirit is enormous." Anthony Churchill, Director, IEN

"Maintaining my health and well-being is top priority for me now. Productive time is very limited." Jane Kozlowski

Multiple sclerosis (MS) is an incurable disease of unknown cause that attacks nerve fibers in the central nervous system, mostly in women during the prime of life, leaving behind areas of hardened scar tissue and nerve fiber linings like frayed electric cords whose faulty synaptic connections cause a wide variety of symptoms. In 1981, MS struck now-retired Bank staffer Jane Kozlowski, who first came to the Bank in 1976 as a research assistant in the Urban and Water Department.

"There had been a tingling sensation for some time," she remembers, "and then one day, I was reaching for a glass of water and my arm just stopped—about an inch or so short of the glass. It just hung there. It wouldn't move any farther! I had to concentrate all my will-power just to move my arm to reach the glass and pick it up! That's the kind of spontaneous movement that people do every day and it's almost involuntary, like breathing. You want a drink, you look at a glass of water, you pick it up. But suddenly my arm would not carry out a simple act of reaching, and that to me was the real proof that I had a neurological problem."

Retired on disability

She has some humorous stories to tell about her last few years at the Bank as a project training officer in PRE before she officially retired on disability in March 1989. She used to make her way

through the J building coffee shop and watch staffers scatter as she wobbled along with one hand on her cane and a tray of hot coffee teetering precariously in the other.

On the down side, she has also fallen on, and occasionally over, unwary staffers in the halls or in the cafeterias.

Now that she has MS-associated health problems that require home care, she is evolving a new lifestyle that accommodates her need for some exercise, plenty of rest, and freedom from stress. "I'm still finding my way," she says.

Strange and puzzling clues

No one knows what causes MS—it could be a virus or a disorder of the immune system, or a combination of both: an invading virus which somehow triggers the body's immune system to attack itself. After decades of MS research, medical science has identified some very strange and puzzling clues that have led nowhere.

Statistically: The closer you get to the equator, the fewer the cases of MS. MS occurs only in the world's temperate zones, between 40 and 60 degrees north and south latitudes. Stranger still, there are more cases of MS in areas of the world with high standards of sanitation. More women than men get MS, but children under 15 years old and adults past age 50 rarely get it. The target group for MS is young adults in their most productive years, between the ages of 20 and 40.

"It's a mystery," Ms. Kozlowski says. "One of the hallmarks of MS is the uncertainty."

"MS has to be diagnosed by what it's not," Ms. Kozlowski's former division chief, George Beier, explains. "Because so little is known about the disease and because MS symptoms could also be

'After I got MS, everything just got more difficult. I had to concentrate on things one normally takes for granted.'

—Jane Kozlowski



Photo by T. Ross Marquez

caused by any number of other disorders, a doctor can only diagnose MS by a process of elimination—it's not this and it's not that, therefore it could be MS."

"It's a progressive disease," Ms. Kozlowski's former department director, Tony Churchill, remarks. "My sister's name is also Jane, and she also has MS. After breast cancer, MS is the second most threatening disease to women. At Jane's age it is particularly devastating. No one knows the cause or cure, all you can do is try to alleviate the symptoms. My sister is lucky because her case is relatively mild. Jane Kozlowski is lucky because she has not been at all affected mentally and in her is a very marked determination to continue an active life."

"My day is not my own," Ms. Kozlowski says. "My body dictates it."

"The idea is to be needed but not *right now*, to *not* be required to live on a time

schedule. People can keep changing the schedule on you and the stress of hearing, 'I needed that yesterday, you've got to get on it!'—well, that kind of stress might make a healthy person sick, but it destroys a disabled person."

"After you leave the Bank, suddenly you are not required to do things on a schedule," George Beier notes. "Suddenly you've got a lot of free time, you face a whole new set of problems. So then you step back and say, 'Let's undercommit our energy.' You ask, 'How much can I really do?'"

"If somebody says to me, 'Let's go to the museum, I'll push you in a chair,'" Ms. Kozlowski notes, "I sort of gear up and I have a quiet day the day before and I plan. I make sure I'm stabilized and I get myself psyched and I make sure I have the wheelchair, and then I hope I'll have one of the 'good days' when I feel

well. And then, if all systems are go, that outing happens. But if I don't get to go, it won't be something that makes everyone else's plans fall apart; they'll just go on with the outing and I'll just miss out.

"I'm getting involved with a disabled group in my community, but I never want to get back to that state where every morning there's an appointment or two. I don't have a schedule like that anymore. Maybe one day a week now I try to be somewhere or have something planned to do and if I'm late it doesn't matter, we can do it later or I leave it open. There's a kid I tutor—I used to be a math teacher—and he might ask me, 'Can you give me an hour of your time?' and I say, 'Well, call me at 3 and if I can do it I'll do it,' but I don't let myself be put in the position of living by the clock, because that's my enemy. My body is not able to live by time.

"That's a definition of my disability, then: I can't really predict when I can do something. But on the other hand you don't want to be vacant. During the past winter, between being cold and dark outside and me in transition and not really moved and settled in yet, it was a time when I was welcoming any outside stimulus but I couldn't generate it myself. Now it's spring, it's possible to get outdoors more often. There have already been a few pleasant days out in the garden; there's a little more possibility now."

When is it time to go?

Ms. Kozlowski remembers the tough question. "I had to ask myself: if I leave the Bank now, how will it feel being a disabled person and not having a job when everyone I know has a job? The more important thing was the staging; every stage in the established procedure for leaving the Bank put things in a new light for me. With the understanding of my department director, I was able to make a graceful departure when I was ready to go.

"After I got MS, everything just got more difficult. I had to concentrate on things one normally takes for granted.

Before, I could climb up and down the stairs to meetings, but now, I can't run up and down and do 19 things one after another. I just can't do the physical part of it.

"On my last mission, I had to find what was absolutely essential to do. Where and when we met made a difference in my ability to concentrate. If I have the chance to organize and manage my own time, I can be productive. Going on mission was not the most strenuous part of Bank work because of all the services the hotels offer and the day is broken up more. In Washington, I was on my own.

"The person has to acknowledge, at some stage, that it's time to go, but most people who are validly disabled are trying to overcome it, they're struggling with it, and that's what I was doing, and things would get a little better and then a little worse but after 10 years there were things that happened so that every doctor I saw had no question that it was time to go, and I knew that, too. You know every morning, when you can't really get to work, you can't spend eight hours there, you can't concentrate and you've got all these problems to tend to—your body's demanding its attention—and now that I have left the Bank I am giving it the attention—I go to the pool for water exercises daily, I read a lot and listen to music.

'You're not gone...'

"There isn't any job out there now I could perform 100 percent on any regular basis and I'm not looking for that. Tony Churchill opened a door by saying, 'You're not gone; if there's something we need you to do, here's a little computer to take with you, here's a tool. Since the technology exists, if there's a place and time for you to use it, fine'—but he didn't give me the laptop to use at home with any intention that there would be X amount of research or expectations of me. The point was that he didn't slam the door and say, 'Well, goodbye, you're no longer useful here.' I think institutions are beginning to respond and realize that everybody doesn't have to be in the office 8 to 5 all the time. With a disability, I still don't want any pressure, but with small assignments to complete

at my leisure I feel I could contribute. I'd feel all that Bank experience didn't just disappear.

"People see me and they see a career woman with a cane and a slight limp, but the inability to handle stress and the weakness and extreme fatigue are part of the debilitation of MS. Stressful situations just take away your energy and make you so inefficient. The time to go is if you don't have the energy for it anymore."

The Bank caring for its people

What could the Bank do to accommodate the special needs and even prolong the continuation of careers of its staff members who develop progressive disabilities while employed?

"Have a meeting," George Beier suggests. "Whenever Bank staff have special needs, have a staff meeting, explain that the special needs of this staff member are x, y, and z and assure that those needs will be recognized, and please remind us if we forget."

"In a division where your colleagues are used to you, before and after you became disabled, they will naturally be responsive, because your relationships will act as a supportive network," Ms. Kozlowski says. "At the time I was struck with MS symptoms, I already had long-time established relationships with staff in my department and division, and they just began to come by my office to see if there was anything I needed. But there has to be a balance so that special needs don't interfere with other people's work time."

George Beier remembers that "one of the things that happened in Urban was that we all learned together. Jane was learning and Jane was also the subject of a lot of conversation because it was happening right then and there among old friends. But we didn't do anything special, as I recall. Everything sort of took care of itself. At that time, the disease was less noticeable.

"But when a person with special needs comes into a new group of people who have not seen the disability happen, you have to pay attention to what the person's needs might be, and you have to ask: 'What are their abilities and how can these be balanced with their needs?'"

"There could be a Friday afternoon staff meeting before the new staff member with special needs arrives the following Monday for the first day of work," a friend of Ms. Kozlowski's, Wolfgang Mostert of IENHE, suggests. "The whole thing could be run through the Bank's Health Services. A nurse or doctor from that department could come to speak at the staff meeting and say, 'Let me briefly explain to you the symptoms which you will probably notice—and I hope you will give the best support you can.'" Ms. Kozlowski adds that the staff member may want to be there as well.

"We must bring attention within the Bank to accommodating special circumstances of Bank staff," Tony Churchill notes. "A number of staff each year are diagnosed as having MS. The Bank's new building is planned to be fitted out to accommodate staff with special needs."

Try to live as normally as possible

"We worked here with Jane as the deterioration went on," he continues. "Everyone in the department helped out. The work program was adjusted around her. We all appreciated her willingness to try to live as normally as possible, but it did reach a point when she came to me and said she needed more of a support system in place, and she said she would like to continue to do what she could. With today's technology it should be possible for people to work in different places and have communications with the office. I have my own computer at home; if I'm away from the office I can get All-in-1. It's easy to put the technology in place, but the problem with Jane's situation is 'out-of-sight, out-of-mind' because the Bank is so busy; it requires effort to keep in touch with former staff who are away from the office."

"I would like to be called upon from time to time," Ms. Kozlowski remarks. "Using the computer and occasional assignments would keep up the morale of an ex-staffer who didn't want to quit but must accept the reality of the situation. That way the Bank doesn't entirely lose its investment of 13 years in me." ■

Editor's note: Betsy Edison is a support staff in the Industry and Energy Department.

The Wonders of MAT

by Robin Woollatt

For the past year the Bank has been piloting a machine translation system. Robin Woollatt, Chief of the Language Services Division, describes the project and gives some insights into the kinds of problems encountered.

The idea of machine translation (MT) has intrigued human beings since the dawn of the computer age. It has been trumpeted as the solution to global communications barriers—and it has been decried as a pipe dream. What is the reality?

Most experts agree that the ultimate goal of fully automatic human quality translation will never be achieved. The systems now in use and under development usually involve elements of MAT (Machine Assisted Translation), since human post-editing is an inescapable requirement in virtually all work settings.

For some years, the Canadian weather service has used a system called Météo to translate weather forecasts, and, even though only a narrow vocabulary is involved, post-editing is needed. At Wright Patterson Air Force Base in Ohio, an MT system has been employed since the late 1960s to produce raw translations of Russian technical literature that enable subject specialists to select portions they would like translated in full. In some sectors, manufacturing companies that produce technical manuals report limited success with MAT, while acknowledging that they have been able to restrict both syntax and vocabulary (e.g., "insert bolt A through hole B and tighten nut C").

Varying degrees of success

At present, there are more than a dozen MT/MAT packages being used with varying degrees of success in North America and Europe—including Sys-tran, one of the earliest and most widely used systems, in the European Community; Logos in the Canadian Secretary of State's Department; ALPNET in the IMF; and EngSpan/SpanAm in the Pan Ameri-

can Health Organization—while the Japanese are investing huge sums in the development of MT systems of their own.

For the last 12 years, a small group in the Bank's Language Services Division (LSD) has kept a close watch on developments in the field by studying the literature and attending MT/MAT demonstrations and symposia in Europe and North America. Late in 1987, at a symposium in London, it came across a particularly promising system developed in Israel. A test of this system for translation from English into French—the Bank's largest combination—was installed in LSD in March 1989, with Jacqueline Gardès, Chief of the French Section, as project manager. Frédéric Cochard, a French translator, was assigned to the project full time and, at the end of last year, spent two weeks of intensive training in Israel.

'Insight'

After 12 months of customizing, the Bank purchased the license through the North American licensor. Known as *Tovna*—Hebrew for "insight," the MT software incorporates an unusually sophisticated program ("teach") for feeding post-editing corrections back into the translation programs.

The *Tovna* software runs under UNIX. Some pre-editing is needed to remove tabular material which the system cannot handle. Input text must be in a machine-readable form and is imported and exported in the form of a flat ASCII file; the output can be downloaded onto a diskette and converted to most common word processing formats.

MT/MAT has many inherent limitations, the most challenging being that caused by ambiguity. The more successful systems tend to be those with powerful disambiguation algorithms. Ways must be found to identify parts of speech (subject, verb, object, relative clause) and to code semantic markers and similar attributes (transitive, intransitive, animate or inanimate subject, article re-

quired vs. no article, gender, formation of plurals, inflections, etc.). And parsing, the cornerstone of all serious MT systems, should ideally be linked to a statistical base related to the subject matter. For example, in Bank contexts, "bond" is likely to mean financial instrument, as distinct from bonds associated with families, molecules, welding, etc. This is why it is crucial to customize the software and build user-specific dictionaries.

Viewed with caution

In the field of MT/MAT, claims to artificial intelligence must be viewed with caution. Systems know only what they are told; if their performance improves over time, it is because interactive routines have been designed to feed new algorithms back into the program modules. However sophisticated this process can be made to appear, it is not the same as the "world knowledge" that allows us to understand instantly what is meant by "time flies like a bird." The software must recognize that: *time* is the subject and is a noun (not an adjective, as in time bomb, or a verb, as in to time a sprinter); there are no such things as *time flies* (as there are tsetse flies); *flies* is a verb (not the plural of an insect); *like* serves here as a preposition (not a verb), and so forth. There should certainly be no suggestion that these flies are partial to birds, or that stopwatches should be used to see how fast flies fly, as one might with a bird!

To enable other language pairs to be added, *Tovna* keeps the linguistic data base for each language completely separate from the translation programs. In this way, operators need learn only one set of rules, regardless of the language combination involved. This technique is known as the transfer approach.

The machine translation process comprises five phases:

- *typography* divides the text into words, phrases, sentences and paragraphs and determines typographical attributes;
- *morphology* consults the syntactic dictionary to determine the morphological attributes (verb endings, etc.) of the words and phrases;
- *parsing* analyzes sentences to determine the roles of words and phrases in each sentence;
- *transfer* substitutes target language words and phrases for source language words and phrases; and

• *synthesis* constructs meaningful and grammatically correct sentences in the target language.

Semantic markers

Interactive post-editing is a key adjunct to the process. It is used to "teach" the software for future reference; to trace the systems logic used in the translation process (e.g., to display and, if necessary, correct the parsing structure selected by the system); and to do straight text editing. It is here that the value of semantic markers comes into play. For example, if the software knows that a subject-verb relationship is correct for "water flows," and if both "water" and "soup" have been semantically tagged as liquids, it will assume that the relationship is also valid for the words "soup flows," even though it has never been specifically defined as such.

During the "teach" process, the system can be told to recognize certain word pairings that will then serve as precedents in future translations. In the phrase "personal computer manual," it can be told to pair (personal computer)+(manual) rather than adopt the more typical structure (personal)+(computer manual), which might suggest that the manual has an individual's initials on it to denote ownership.

The simple example "time flies like a bird" gives an idea of the complexity and pitfalls presented by longer sentences. The sentence that follows was from the initial acceptance test: "During that period, the Government sought to accelerate growth and development through direct state intervention in productive activities." The system rendered this as: "Durant cette période, le gouvernement

a cherché à accélérer la croissance et le développement par l'intervention de l'état directe dans des activités productives." This version requires only the lightest post-edit. Many other sentences were handled with comparable success. At this stage, however, some degree of post-editing is required in virtually every sentence.

Another example: "This growth performance resulted in part from the buoyant investment activity under the First State Plan (1977-80), and in part from strong re-export trade and also trade in agricultural products with neighboring Niger and Nigeria which were then experiencing uranium and oil export-led booms." This typical Bank prose could not be successfully parsed by the system, for reasons with which readers may readily sympathize. For present purposes, however, the test is whether the machine rendering provides a framework for constructing a good translation. In most cases it does; where it does not, the sentence must be translated by the post-editor from scratch.

Anecdotes

The annals of MT are full of anecdotes, many of them apocryphal, that have been used to illustrate its shortcomings. "The spirit is willing but the flesh is weak" supposedly came out as "the vodka is strong, but the meat is rotten." "Out of sight, out of mind" similarly became "invisible, insane" in one Russian version and "blind idiot" in another. Using MT in LSD also produced its lighter moments, which illustrates the need for dictionary building before even trial translations can be run. Apart from the obvious "coiffeur Conable," there were such gems as: "duvet lent" (slow down);

"jusqu'au cadeau" (up to the present); "jeune homme Pfeffermann" (Guy Pfeffermann); and "ceci est un livre pour faire pousser des enfants" (this is a book for growing children).

To assess whether the MT software was viable, two criteria were kept uppermost during the trial period. First, there had to be a clear productivity gain over human translation, after allowing for pre-editing time and for all interactive routines, such as "teach" and post-editing. Second, the ancillary programs for importing and exporting text, reformatting, printing, etc., had to work smoothly.

Save time

Experience to date has confirmed that the introduction of MT is a time-consuming and labor-intensive process. The system has shown that it can save time by performing routine tasks of lexical transfer and basic parsing. The year of customizing and the purchase of the license have now placed the Bank in a good position to move forward and start reaping benefits.

The emphasis in the months ahead will be on improving batch translation performance through dictionary and lexicon building, incorporating software enhancements based on input from the Bank and other Tovna sites in London and Sofia (Russian-English), final debugging of the ancillary routines, and expanding further the statistical base on which parsing relies. For the time being, Mr. Cochard will remain the only trained user, but it is hoped gradually to increase post-editing capacity to permit an increase in the system's throughput. ■

Vaclav Klaus at Conference on Development Economics

'We Really Want to Achieve a Change'

by Alan Drattell

The pace of economic change in Czechoslovakia is so rapid that Minister of Finance Dr. Vaclav Klaus didn't have time to prepare his keynote speech. Instead, he consulted notes he had made during his flight to Wash-

ington to address the Second Annual Conference on Development Economics at the Bank in late April.

What he had to say, though, he has thought about long and hard and worked at feverishly for the past few

months. Time has become the enemy as Czechoslovakia, he told the overflow audience, is in a rapid process of growth and transition from a centrally planned to a market economy.

"We really want to achieve a change," he said. "We have been asking ourselves whether it is possible to change a centrally planned economy. There are many concrete problems we are facing now and we are aware of them."

Some of the more prominent problems include developing and sequencing the process of economic transformation, building and maintaining social and political consensus, not crossing the tolerance limit of the public, and minimizing costs of restructuring.

Dr. Klaus' breezy style of rhetoric caught the imagination of his listeners as he reminded them that Czechoslovakia was one of the "founding fathers of the Bretton Woods institutions" and that it has reapplied for membership in the Bank and the Fund. "We really want to be good partners," he said. "We don't just want to receive; we want to give something, if possible, even if I am afraid that at the very beginning what we can offer is not that significant as compared to what we can get."

His government, he said, wants "to achieve a transition from a state-dominated economy toward an economy based on private sector, private initiative, private entrepreneurship. We don't want to orchestrate the economy from above. We don't want to start again pseudo-rationalistic engineering ambitions (of irresponsible intellectuals and technocrats. So, in this respect, our intentions are clear. We want to achieve a transition from a non-efficient, wasteful, environmentally damaging economy to a normal economic system based on scarcity prices, on sound incentives, on transparent general rules."

'All the answers are available'

Larding his speech with witty remarks that served as counterpoints to the hard economic realities facing his country, Dr. Klaus noted, "I'm looking to mainstream economics. It seems to me all the answers are available."

He said that basic economic laws "are valid across continents, economic systems, ideological beliefs, and so on," adding that the World Bank could help in "the perfect development project: just to increase the knowledge of mainstream economics in our part of the world. It would be really very helpful because there are many suggestions to start business schools and to teach managers in our part of the world. But the basic

knowledge of economic principles is not available, and it would be really a very good development project."

Knowns and unknowns

Dr. Klaus said that there are knowns and unknowns regarding reform strategy—"what we have to understand, what we have to plan here and elsewhere"—facing his country.

The knowns:

Number one, "we know very well that a partial reform is much worse than a non-reform. It is quite clear that the partial reform in a distorted economy...is a tremendous mistake."

Number two, "when we stress non-partial, comprehensive reform, it doesn't mean that we have to wait for the all-embracing reform blueprint. This is, in my opinion, very important, because if we wait for an ambitious, intellectually perfect, all details elaborated reform project, there will be no reform."

Number three, "a reform project means a plan for several crucial reform steps in a proper sequencing. A reform project doesn't mean that we understand all details, that we understand all steps, that we have all the data, the timetable calculations, and so on.

"I like to compare it with chess playing. When we want to play chess, we must know how to play. We must know how to move various pieces on the chessboard. We have to know the basic opening strategies. But it's not possible to know the situation of the chessboard after the 15th or 25th move.

"I stress this because it is very difficult to explain to the politicians in Eastern Europe...and this is a tremendous problem for us to explain that even without debt we have to start the reform."

Number four, he noted that care must be taken to avoid the "reform trap" that plagued several reform efforts in Eastern Europe in the past. By attempting to decentralize decision-making, the impression may be created that serious reform is taking place. Reform will fail, however, in the absence of genuine changes in the structure of the economy, beginning with property rights and market-based pricing.

Number five is the need for establishing transparency of economic relations. Economic actors need to know the rules of the game, and those rules should clearly establish private property rights

and market-based pricing. Three weeks before Dr. Klaus came to Washington, his government established a special board—the Board for the Temporary Administration of State Property and Its Privatization. And this board has prepared a two-step privatization scheme.

First, existing state firms will be commercialized to prepare them for privatization. In the second stage, the shares will be sold to the public by means of auctions. "Because of the lack of domestic capital, it will be necessary to augment the wealth of the population by distributing free a part of state property in the form of vouchers to the population at large. And only after that it would be possible to start the exchange of vouchers for the shares of the state joint stock companies," Dr. Klaus said.

The government was to have discussed the scheme shortly after his return from Washington.

"We in Czechoslovakia," he stressed, "think in terms of weeks and months," not longer.

The unknowns:

Dr. Klaus also listed some of the areas in which there are no clear-cut answers from economic theory. These include the appropriate sequencing of improvements in market structure and price liberalization—and the speed with which the foreign exchange markets should be liberalized. "We don't know whether we can expect a rapid, or how rapid, and whether we can expect a positive, and how positive, supply response to a set of drastic reform measures we are introducing...What will the supply response be in the short term is a big unknown, especially for the politicians in my country," he added.

"Finally," he noted, "how (do we) minimize the ability of some individuals to reap the enormous rents that become available in the existing distorted system when the central controls are lifted? It is a dramatic problem we feel every day, more and more dramatic, and I am a little uneasy." ■

Editor's note: The two-day conference focused on four areas of worldwide development economics: the transition from adjustment to growth, sustainable development and the environment, population change and economic development, and public project appraisal.

The Many Successes of All-in-1

by Jerry Floyd

A radical improvement in communications" is the enthusiastic way Geoffrey Fox, EMENA's Chief Administrative Officer, describes All-in-1, the Bank's electronic mail system. "Because of the success communicating from Headquarters to the Jakarta office (where Mr. Fox was previously Agricultural Unit Chief) via All-in-1, we've invited everyone in EMENA to use the service, particularly the field offices and eventually key government agencies of new borrowers.

"This month we're installing an All-in-1 system in Islamabad and later this year in Warsaw and Ankara," he continues. He lauds the system for its ability to transfer reports from the field to Headquarters. "It's as if the field offices were next door." The Beijing field office will also join All-in-1's electronic neighborhood this month, as the total number of Bank staff who are All-in-1 subscribers increases to nearly 6,000, or about three-quarters of all Bank staff at Headquarters and in the field.

New users

The increased reliance by the Bank on All-in-1 is amply demonstrated by the addition of 2,500 new users during FY90; a number of Bank departments and the four regions have put all their staff on the system. While this increase has been partly due to the efforts of ITF Director Harinder Kohli and his department to acquaint managers and staff with the benefits of All-in-1, "the reason the user base has grown faster than even our most optimistic projections is because most Bank staff have come to regard electronic mail as an effective means of rapid communications with colleagues in Washington and the field offices," Mr. Kohli points out. "In addition, All-in-1 has become a convenient window for other systems."

The mainframe computer-based electronic mail service was introduced in the Bank in December 1983. Today, All-in-1 is used not only for transmitting electronic messages, but also as a means of



Mary Jane Bullen, LAC Information Technology Analyst, teaches the finer points of All-in-1.

Photo by Michele Iannacci

transmitting spreadsheets and documents in their original software format and as a gateway to IBM, Unisys and DEC mainframe computers. All-in-1 also has other capabilities. Among the items that can be requested from the system are periodicals from the Joint Library Network, telephone and data communication installations and even reservations at the Paris conference center. In addition, much useful data can be found in the various All-in-1 menus, including Overdue Service Payments (though access to this feature is restricted) and detailed forestry data in the Sectorial Information menu. You can also access the Oxford Analytica, Development News, Weekly Bulletin, Commodity Pink Sheet and IMF Blue Sheet in the Information Service.

Up-to-date information

Such innovations are "changing for the better the way people communicate with each other. These changes also enable staff to tap very quickly into up-to-date information," notes Guy Pfeffermann, Director of IFC's Econom-

ics Department and Chief Economic Adviser. He adds that he "was very skeptical when I started using All-in-1. I never would have believed how much of my business I would transact using my PC. The more people use All-in-1 the better."

"All-in-1 has eliminated one of the things that irks people about rank and status," says Nicholas Carter of ITF's Policy and Strategy staff. "Everyone is now able to feel more a part of the Bank community, especially when anyone who has an All-in-1 account can access much the same information. Now, a secretary can read publications that, only a few years ago, were available on a timely basis only to managers. All-in-1 isn't so much a democracy but more a means of making people stronger participants in the Bank's daily work life."

These days All-in-1 subscribers are sending 10,000 electronic messages a day, or about 2.5 million messages per year, a figure that is increasing every month. Izzet Zincir, AS5 Project Manager, believes that "thanks to All-in-1, people are able to make their views

known more quickly to those who make decisions. Since the flow of information has gotten faster, decisions are being made more quickly," he notes. Mr. Zincir points out that since higher level staff do their own typing in All-in-1, "I can be in the office early in the morning or late in the evening and meet a c.o.b. deadline or communicate a new idea without having to wait for help from support staff."

All-in-1's impact has been felt elsewhere in AS5. Trayambkeshawr Sinha, a Financial Analyst in the Jakarta field office, says, "All-in-1 has helped tremendously in our efforts to take from identification to presentation in less than a year a loan project that previously would have taken two to three years." The project Mr. Sinha refers to is an especially vital one for, if approved by the Bank's Executive Directors later this month, it will help the Indonesian government plan and manage the preservation of 110 million hectares of virgin rain forest in this island country. Given the worldwide interest in preserving rain forests, the ability to use All-in-1 quickly to send and receive, at very low marginal cost, documents and data relating to the project has been especially welcome, Mr. Sinha says, stressing that "All-in-1 has become absolutely vital to the way we do business."

Hub in Warsaw

Meanwhile, the installation of the communications hub that will include the All-in-1 system later this summer in Warsaw, where it can take up to six hours to make a telephone call or send a

fax, should result in a big improvement in communications to and from the Bank's first field office in Eastern Europe. "All-in-1 will be independent of the two local phone systems in Warsaw," Mr. Fox points out. "Given the rapidly changing situation in Eastern Europe, reliable communications are vital."

Communications revolution

While All-in-1 altered communications between Washington and the field offices, the service has also sparked a communications revolution within Headquarters. LAC is developing a database for all its lending operations that will be accessible through All-in-1, according to Maysoun Sukar, an Operations Assistant in the region. "We will use All-in-1, integrated with Basis-Plus software, to allow staff to access project and economic data on all LAC projects undertaken within the last two years," he explains.

"We'll be able to capture, quickly locate and share with Operations staff key decisions and the reasons for making them," points out LAC Chief Administrative Officer Richard Gregory. "We'll also now have a chronology of loan processing steps. All of this will be particularly important to work groups that aren't physically collocated with us," he adds.

The LAC project was preceded by a pilot effort involving the Mexico field office that began last year when a satellite link was opened to Mexico City. "Even the most skeptical people in the region liked the link with the field office," recalls Mary Jane Bullen, LAC Information Technology Analyst. As was the case in

EMENA, the decision to put all LAC region onto All-in-1 came after the service had proved to be a success in communicating with field offices. Mrs. Bullen says that new pricing from ITF also helped sway the decision to connect. (The pricing offer is available to all regions in the Bank. Because of the rapid increase in the number of subscribers, rates

for the All-in-1 service will drop from \$360 to \$250 per year, effective July 1.)

The positive response to the Mexico City link mirrors the experience of the New Delhi Office. The India office's Director, Jochen Kraske, states that "the All-in-1 system in NDO has been a remarkably effective tool in increasing the production and efficiency of the staff with access to it."

Enthusiasm

Meanwhile, the efforts that Mrs. Bullen has made on behalf of All-in-1 typify the enthusiasm staff feel toward the system. For the past year, Mrs. Bullen has been Chairman of the All-in-1 coordinators who represent their regions at periodic meetings with ITF staff. She also teaches All-in-1 training classes for LAC, part of a Bankwide educational effort that includes the recently revised *All-in-1 Manual* and a training videotape to be produced by the Human Resources Division.

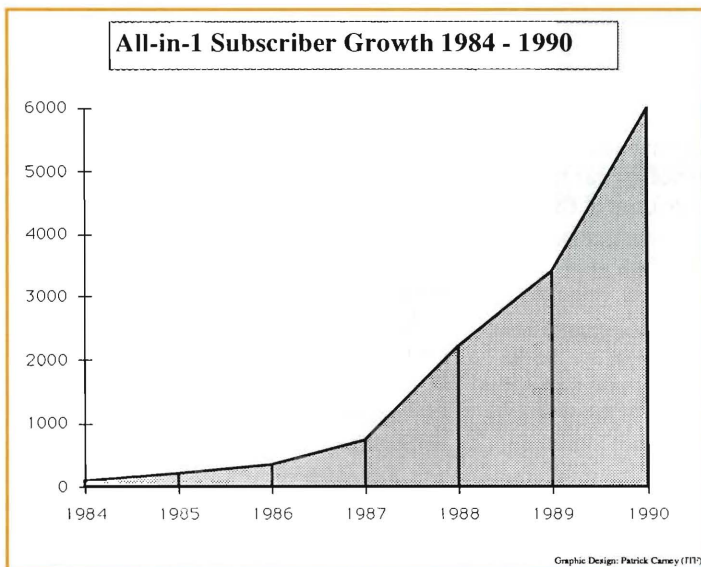
In summarizing the benefits of the All-in-1 service, Mrs. Bullen stresses that "it empowers the user, and that's what communications are all about. All-in-1 also frees people from restrictions imposed by time. People can check their mail or work in All-in-1 from remote locations and while on mission, and that's particularly important for Bank staff."

All-in-1 newsletter

While various work groups in the Bank customize All-in-1, the ITF All-in-1 project team, which includes ITF Computing Technology Head Wayne Rayfield, Project Manager Marc Nodell and All-in-1 Support Manager Patty Hamsher, is also hard at work. Next month, the project will begin publishing an All-in-1 newsletter. Later this summer a new version of All-in-1 will include on-line conferencing, which means subscribers will be able to join in party-line conversations and send and receive messages on the same subject.

Mr. Carter believes "the bulletin board will provide a medium that gives everyone in the Bank a chance to express their views. It will be a way of making sure people are heard from, and that the Bank benefits from their expertise." ■

Editor's note: Jerry Floyd is the Business Manager of the All-in-1 system.



'A Modest, Yet Realistic, Agenda'

Military Spending in Developing Countries

In mid-March, Ismail Serageldin, Director of the Occidental and Central Africa Department, and Geoffrey Lamb, Adviser in the Strategic Planning Division, Strategic Planning & Review Department, addressed a seminar entitled "Military Spending—What Role if Any for the Bretton Woods Institutions." The Bank's World recently asked Mr. Serageldin to share his ideas on this issue.

Question: Military spending is and has always been a sensitive issue. You obviously think it's time the Bank addresses it.

Serageldin: Absolutely. Last year's Annual Meetings was the first time the Bank committed itself to raise this issue of military versus social priorities, both for government spending in LDCs and donors. Barber Conable's speech included a direct frontal attack on the problem. We're witnessing a thawing in East/West relations, and I think that should lead to some opening. Also, though the recent events in Eastern Europe may bring the winds of change to many developing countries, it's far from clear how regional conflicts will evolve. The conditions are now there to address the issue of military spending in ways that would have been unthinkable just a few years ago.

Q: If the issue is surrounded by so many difficulties, how do you begin?

A: You begin most cautiously, taking a pragmatic approach that sets realistic expectations. Basically, there are four main areas of concern. First, there's the classic dilemma: How do you separate what is good for the state from what is good for the people? Second is the issue of the legitimacy of military expenditure. While no one would quarrel with *some* military expenditures, it's much trickier to discuss what is an "appropriate" level of military spending. Third, there's a defini-

'How do you separate what is good for the state from what is good for the people?'

—Ismail Serageldin



tional issue of military expenditure—what, exactly, does it include? The very nature of military spending makes it all the more complex. For example, it's probably correct to say that everyone benefits from the existence of an institution that defends the national territory from any foreign attack. But what if the role of the military includes *internal security*—frequently, but not always, a code word for oppression? Or what if the military extends its defensive strategy to include actions that do not appear to be directly relevant to the defense of the national territory? In other words, what constitutes legitimate military expenditure?

Q: So the term "military expenditure" is a catch-all phrase?

A: If you look at the semantic evolution of the term used to designate the "Ministry of Defense," you'll find that in 19th century Europe it was called Ministry of War (Ministère de la Guerre). Later, it became Ministry of Defense, and

the term used now, along with the latter, is "national security."

Q: It seems hard to justify the incredible growth of military spending worldwide, in developed and developing countries.

A: There is a need for some level of military expenditure, primarily to defend the country. But defending the frontiers of a country is only one part of the national security of a nation. It may also include attacks on other nations, as well as domestic security and the use of the military for internal matters, such as to quell riots when the police either cannot, or are not, allowed to intervene.

And then, of course, you have to take into consideration some additional facts. Is the country stable, or is it at war? Is destabilization being fomented? If so, are there some legitimate grievances? So this brings us back to an earlier question—what does "national security" mean? It's open to endless debate. We can't reach a consensus on what consti-

tutes an *adequate* or *justified* military budget without referring to the political interpretation of "national security."

This political characteristic directly affects the size of the budget. So if virtually everyone accepts the legitimacy of some military spending, the appropriate level and composition of this spending will vary according to individual viewpoint and, of course, country circumstances.

Q: Are there examples of military spending benefiting the non-military?

A: Generally, when we speak of military spending, we refer to what is spent on maintaining armed forces and their necessary equipment. But the military institutions also play a part that is not strictly "military" in the classic sense of the word. In some countries, the military is responsible for producing certain goods, such as cars, trucks, even refrigerators, to name a few. In other nations, obligatory conscription is a source of employment—future job-seekers are delayed from entering the work force for a year or two, and this reduces unemployment. In some cases, the Corps of Engineers has been used to build infrastructure projects, much as a public works force enterprise.

The military also often builds housing or develops chains of bakeries to feed the armed forces and their families. But, in these cases, you have to ask who benefits from these "civilian" services? Should subsidized housing built and made available exclusively to the military be considered as part of "military" expenditures or simply as a government subsidy favoring one group in the country?

On another level, the military may as well be a social institution serving as a ladder for social mobility. It frequently provides basic education and training which would otherwise have been difficult to obtain. This, in turn, leads to skilled workers capable of finding work.

Q: Can the Bank do anything regarding military spending at this point?

A: We should take the lead in focusing the attention of both the people and the governments worldwide on the costs of military expenditures and the trade-offs involved. This is particularly true now, since we're in a time of scarce capital and there's a shortage of development funds. But we do have institutional and

operational constraints on what we can and cannot do.

Q: Such as?

A: Neither the Bank nor the IMF has a mandate allowing it to examine military spending as a component of government expenditures. This has a political significance since it would involve the internal and external security of a given member country and may well touch upon the very legitimacy of a government. We have to remember that we deal strictly with economic and financial matters. Our statutes specifically exclude political considerations from our deliberations, and, as of now, no consensus from our member nations has emerged to give us this mandate. That's the major institutional constraint.

Operationally, the secrecy that surrounds military spending means very little data are available. And, as I mentioned before, the very lack of a proper definition of what comprises military spending implies that even if data were available, figures would not necessarily reflect reality. Additionally, in many less developed countries, civilian accounts are very poorly kept, and the military escape even rudimentary auditing.

And then you have to take into account the resiliency of military spending. A frequently stated claim is that if we and the Fund were to press for reduced aggregate spending, it would force a reallocation of military spending to social or more economically productive activities. This is unfortunately untrue. Indeed, an IMF study has shown that in adjustment programs, military and security expenditures are those that most resist budget cuts. There's no surprise there, since in many cases a regime's survival depends on its military and security forces.

Q: Given these constraints, what can the Bank do?

A: I see three measures that can improve the understanding of military expenditure as an integral part of government expenditure.

First, we have to mobilize public opinion, whenever possible quoting military expenditures along with other statistics. This should be done in a systematic fashion. It should present military expenditure and military debt relative to total debt, aid flows, government expenditures and GDP. We could include possible

trade-off scenarios between military expenditures and other government spending programs. For example, if as a result of lessening East/West tensions, 5 percent of present OECD military expenditures could be channeled to ODA flows, these ODA flows would increase by x percent. We should disseminate the information in Bank publications. This would provide a more solid foundation for debate that would mobilize public opinion about the specific course of action the majority may wish to pursue. Such debate will be especially important in donor countries where aid flows are increasingly subject to reviews by NGOs and other groups, but where military aid programs are not given the same scrutiny.

Q: Wouldn't you have to develop better national accounting systems in LDCs?

A: Absolutely. Doing so will enable developing countries to have a more complete and reasonably accurate picture of the budget and, within it, the size of military expenditures relative to other expenditures. This is a particularly useful measure, since it's the *sine qua non* for sensible discussion and rational debate by the concerned parties within the country. It's something where the Bank has some expertise and where it would be providing a useful service to our member states without interfering in their domestic decision-making.

Q: And the third measure?

A: The last measure involves strengthening the catalytic role of the Bank. Aid coordination is one manifestation of our ability to bring financiers and borrowers together to promote development in the most effective fashion. The quality of our analyses and the advice we give to our member countries are the core of our strength. There's no doubt in my mind that introducing information on military expenditures will spark animated discussions. But it will enable LDC governments to set their priorities and for the donor community to respond to them.

This is a modest, yet realistic, agenda. And yet it's also quite daunting, given all the issues concerned. Starting by definition and data collection may not be as stirring as a clarion call to action, but it is the foundation upon which informed debate can take place. Of such small and steady steps is arduous progress made. ■

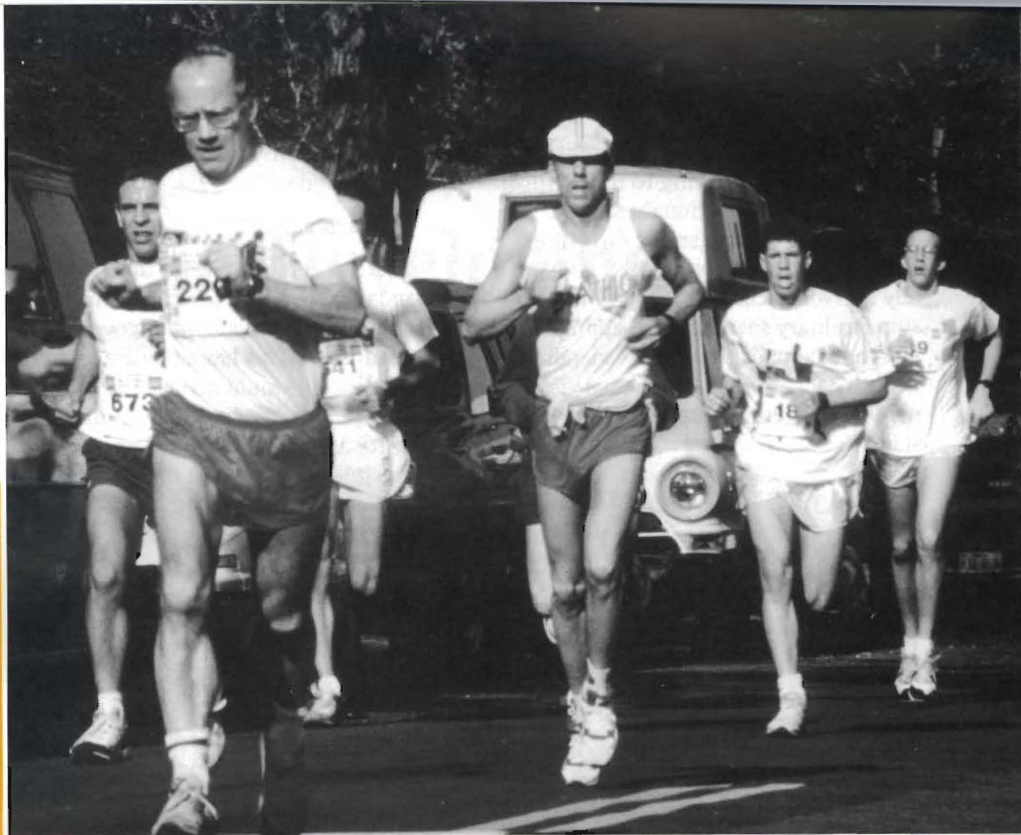
They All Came Running

On the bright and sunny morning of April 22—Earth Day—787 women, men and children ran, jogged or wheeled their way twice around a 4K course that wound around George Washington University, the State Department and the Old Executive Office Building. The occasion? The first World Bank-WETA 8K Run.

The event, organized by the Community Relations Office of External Affairs, drew area runners as well as out-of-state athletes and resulted in a \$10,000 check being handed to WETA for its Operation Earth project.

Runners were divided into four categories by age and gender. The overall winners were Mary Knapp of Ithaca, New York, in the 20 to 29 age group, and Jeff Martin of Greensboro, North Carolina, in the 30 to 39 age group.

Photos by John Cleave



They're off!



A bit of stretching makes for a better run.

A little headstart.



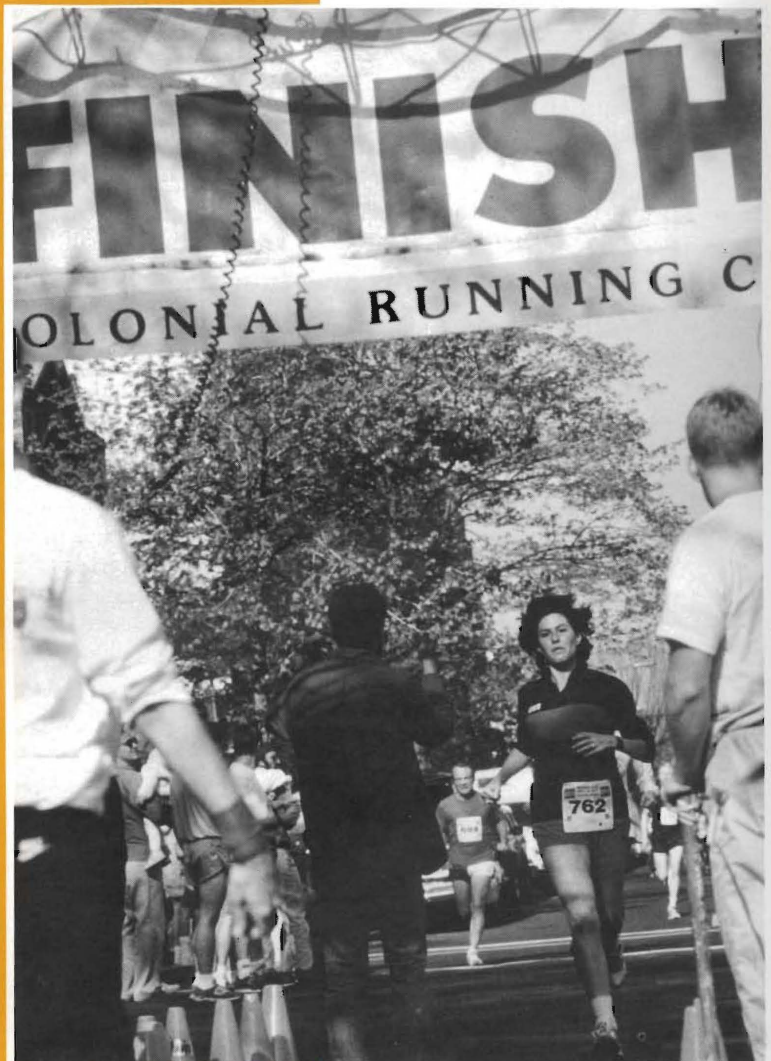
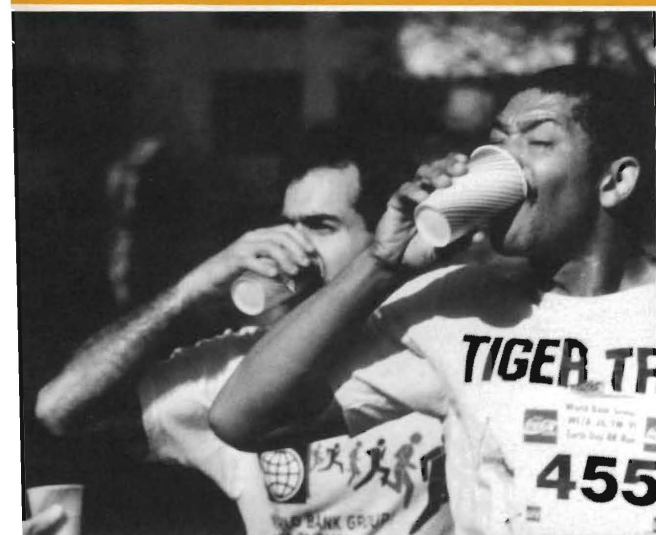


Volunteer water bearers aided the thirsty.



Some smile, some puff.

In perfect harmony.



And 8K later, a winner.

On the Record

Education for All



Barber Conable

At the World Conference on Education for All in Jomtien, Thailand, last March, Barber Conable announced that the Bank will double its annual education lending to \$1.5 billion over the next three years. Here are excerpts from Mr. Conable's address:

The educational needs of developing countries are great. They cannot be met by an unplanned, helter-skelter assault on vaguely perceived problems. Needs must be meticulously identified and priorities carefully assigned by common agreement among all those concerned, both nationally and internationally.

I propose to you the following priorities:

First, the quality of education must be enhanced. School attendance without learning makes no sense.

We must ensure that children who attend school actually master the primary curriculum and complete the full course. Other levels of education can be achieved only when that foundation is in place.

For the quality of learning to improve, teachers must be capable of inspiring their students, and principals must be able to function as leaders. Textbooks and other learning materials should be effective and obtainable at reasonable prices.

Experience in bilingual education needs to be reviewed here and, where appropriate, shared, so that students whose home language is different from the language of instruction will receive assistance in acquiring the second language. Initial instruction should be provided in the home language whenever possible.

Improving the quality of teaching is critical to the improvement of the quality of education. There is no substitute for good teachers. They need to be well motivated from the start—to have chosen teaching as a profession because they want to teach, not because they have to—and they should be helped to upgrade their professionalism throughout their careers.

Teachers must also be adequately remunerated. Teachers who are poorly paid and are compelled to work under trying conditions rarely make good teachers.

Individual schools will not provide a good environment for learning, unless a nation's education system is strongly man-

aged. This requires management training, and the availability of accurate information which enables managers to make rational decisions. Responsibilities for managing education should be appropriately shared, and not excessively centralized.

Second, education—especially primary education—must be made accessible to all. Over 100 million children in developing countries are not enrolled in school.

All children should have access, in the first instance, to a good primary school where they can acquire the basic knowledge with which to lead fuller lives and proceed to other levels of education. Youth and adults who have been deprived access to learning opportunities must be provided with basic education which will help them improve the quality of their lives. These efforts must be particularly emphasized in rural areas where most of the world's poor live.

We must remove any ingrained bias against education for girls. In many societies, they are kept away from school, or compelled to leave school before finishing their education. The contribution that girls with education make to their families and to society in general is substantial and, indeed, calculable. Individual nations, the world and generations to come will benefit from giving girls the fullest possible benefits of education.

Third, but related to access, additional educational facilities are also needed. Given the high cost of building, however, continued research into low-cost construction technology is necessary. The innovative use of underutilized space from other sectors can also help reduce the pressure on classrooms.

As we're seeing in the exhibits and roundtables at this conference, many educational innovations have succeeded in different parts of the world. National leaders should not be scornful of encouraging proven informal mechanisms which enhance educational quality and access at the primary level by mobilizing parental, community and volunteer assistance in the assault on illiteracy.

Fourth, looking beyond primary education to vocational skills, the rapid pace of technological change makes it imperative for developing countries to design training programs which are flexible and responsive to fluctuating market conditions and

needs. There is considerable scope for increased involvement by the private sector in this area.

Fifth, a scientifically literate population is essential for economic development in this decade. To compete internationally, developing countries must be able to select and adapt modern technology. Systems of higher education must be strengthened to train scientists, engineers, managers and other professionals who will lead the national development effort into the next century. Finally, these increased efforts do not come without a cost. Developing countries will have to allocate available resources to the most cost-effective inputs. For increased emphasis on primary education, most middle-income countries can realize significant improvements in educational effectiveness through reallocations within the existing primary education budgets. In most low-income countries, however, the scope for such reallocation is limited, and additional resources, national and international, are essential.

Governments must be willing to shift resources to education from socially less productive use—such as defense and subsidies for public enterprises. The mobilization of additional resources may involve relying increasingly on private sources of funding, especially at the higher education levels. As this conference implies, much is to be gained from the sharing of experiences.

International help, by itself, is not enough. Domestic budget makers must give a high priority to education, especially primary education.

Translating a vision of education for all into reality throughout the world cannot be done overnight. As urgent as the tasks ahead are, their realization requires patience and care.

Investment in human capital is not a quick-fire enterprise. Such investments take a long time to put in place and rarely yield immediate results.

The boy and girl whose primary education began in 1990 will be able to realize only in about 30 years the full value that education adds to their own innate capacities. Thus, strengthening the human resource base of developing economies will require a sustained effort over several decades.

Most low-income countries will need access to expertise which complements their own, as well as stable financial support. This calls for the evolution of new and expanded partnerships in which we must all be willing to participate.

Currently, less than one-half of 1 percent of all international development assistance is channeled to primary education. Clearly, the donor community cannot expect to be an effective partner in the efforts which flow from this conference unless there is a dramatic increase in aid flows to basic education. Both the amount of assistance and the areas of concentration must be reassessed.

At this World Conference on Education for All, the World Bank renews its commitment, made in 1963, to support education as an instrument of human development.

The character of the Bank's support for education has changed considerably over time. Initially, education lending was for building and equipment, so that countries might increase the number of schools. Now, activities which enhance the quality of learning, such as textbooks and curriculum development, are priorities for us. In addition, our emphasis has broadened from technical and vocational education at secondary and post-secondary levels to include primary education and general skills.

We will continue to support the various levels of education as justified by national priorities. But, helping countries meet basic learning needs is a key priority in the Bank's lending program.

As you know, the World Bank is the largest single donor of financial support for educational development, having loaned a total of more than \$10 billion for education since 1963. We account for 15 percent of international support for education.

The Bank will double its educational lending over the next three years to an annual level of \$1.5 billion, and we will improve our performance and effectiveness.

Our goal will be to help countries put in place the educational policy framework and investment programs necessary to move toward education for all. Support of basic primary education will be the dominant priority.

We will pay particular attention to developing the national institutions necessary to improve the quality of learning. As part of this emphasis, special care will be taken to ensure that projects and programs funded by the Bank directly improve education for girls.

In addition, we will strengthen our support for science and technology programs in secondary and higher education covering both agriculture and industry. We will also emphasize assistance to non-school based programs of skilled worker training.

We will reinforce our own in-house capacities and will strengthen our related policy and research work, so that we can respond expeditiously to these needs. The results of our research will be widely shared. In all aspects of our "education for all" programs, we will move toward a style of lending which is increasingly collaborative, and relies on national capabilities to the maximum extent possible.

Even before we congregated here, the value of education was clear to all of us. Education is an instrument of development. It is a vehicle for human self-improvement.

Education is not "value neutral." A man or woman, girl or boy touched by education is no longer the same person. Predictably, therefore, questioning, skepticism, protests and the flowering of change often begin at places of learning. The first generation of African national leaders, Tom Mboya once said, "all graduated from two institutions: a mission school and a jail for political activists."

But a commitment to the status quo is no reason to deprive our "ultimate resource" of opportunities for self-improvement. With education, people will bring about the changes that revitalize communities.

Nelson Mandela, on his return home from prison, had a special message for the young: "Stay with your schooling, and equip yourselves for the future."

The future beckons us all, and human development cannot be deferred. The poor will be liberated from their poverty only when they are supplied with the instruments of their own self-fulfillment.

The convergence of efforts by a broad range of national and international agencies at this conference is an important first step on the long road ahead toward the goal of education for all. The first step is sometimes the most difficult. Having taken that step, let us move forward steadfastly, toward our goal which will benefit the entire human family. ■

Wanted: Foreign Direct Investment

by Asimina Caminis

In 1985, the Government of China asked IFC to review the country's policies on foreign investment. IFC sent four economists to investigate and make recommendations. This mission marked the unofficial beginning of the Foreign Investment Advisory Service (FIAS), which advises developing countries on how to attract productive foreign direct investment—often referred to simply as FDI. FIAS officially came into being the following year. "IFC had studied foreign investment issues on a small scale before FIAS, but did not have an organized way to handle the growing demand for advice," according to FIAS Manager Dale Weigel.

The 1970s witnessed an upsurge of nationalism in many developing countries. Foreign aid was abundant, and commercial bank lending—at very low real interest rates—was booming. These factors led some countries to adopt policies restricting foreign participation in their economies. By the mid-1980s, however, attitudes toward FDI had changed. First, developing countries needed capital: commercial bank lending had dried up and foreign aid levels were inadequate. Second, they wanted the other benefits that often come with foreign investment: management, state-of-the-art technologies, and access to foreign markets.

Small and large countries

FIAS has worked in small countries such as Togo and in large countries such as China, in low-income countries such as Bangladesh and in high-income countries such as Yugoslavia—25 countries in all. Nearly half of FIAS' clients have been in Sub-Saharan Africa. Governments seeking policy advice may initiate a project by asking FIAS for help, or they may be introduced to FIAS by the Bank or IFC. On occasion, governments that have demonstrated interest in FDI are contacted directly by FIAS. Many clients request follow-up assistance—FIAS has completed four advisory projects in China since the first one.

FIAS helps government officials or agencies responsible for formulating investment policy—this could be the ministry of finance, planning, or industry, or a special agency, like Kenya's Investment Promotion Centre, to define their objectives. It then works with them to develop, and sometimes set up, the framework and institutions needed to promote, screen, and regulate FDI. "Many developing countries, particularly in Africa, are looking for assistance in re-writing investment codes, structuring one-stop investment agencies and identifying other things they can do to stimulate investment," says Martin Hartigan, who runs FIAS' program in Africa.

Investment climate in Lesotho

FIAS' work typically begins with a general diagnostic. After studying the investment climate in Lesotho, a small, landlocked country with limited natural resources and a rapidly growing labor force, FIAS helped Lesotho formulate a

promotional strategy. "It is generally recognized that Lesotho's future depends on export-oriented industrialization," says Mr. Hartigan. "FIAS' analysis focused on the need for Lesotho, with its small domestic market and inexperienced private sector, to make it easier—and more attractive—for foreign companies to invest in export-oriented industries." FIAS recommended a number of policy changes that, if enacted, would reduce delays in obtaining factory space and work permits for expatriates, improve and simplify the incentives granted to foreign investors under Lesotho's pioneer Industry Encouragement Act, stabilize capital and labor costs, and lower the effective exchange rate to make exports more marketable.

FIAS has also assisted Indonesia with promotion. Boris Velic, Program Manager for Asia, observes that "Indonesia has been liberalizing its policies over the past couple of years, but there is still a gap between how Indonesia is perceived and the reality. FIAS is helping the country to strengthen its image abroad and target foreign companies it might wish to attract." Mr. Velic stresses the importance of having the right policies and institutions in place before undertaking expensive promotional activities. "We are also helping Indonesia to improve its investor-servicing—satisfied investors will spread the word."

Screening procedures

Foreign investors are often put off by inefficient and cumbersome screening procedures. Based on FIAS' recommendations, Bangladesh consolidated several committees into one centralized board to speed up the screening process.

FIAS' advice is based, according to Joel Bergsman, Chief Policy Officer, "to a great extent on common sense, on what works—and doesn't work—in other countries." When China needed help developing laws on contractual joint ventures, FIAS staff took Chinese officials to Yugoslavia—the only country with a specific law on such ventures—to meet with Yugoslav experts.

***'FIAS
is becoming
a central source
of knowledge
and expertise
on FDI
for the
Bank Group
as a whole.'***

—Joel Bergsman

"IFC's own experience as an investor in the developing world," Mr. Bergsman continues, "has been the basis of much of FIAS's advice. We also talk to other investors about what drives their decision to invest in different countries."

FIAS works with other departments in IFC, MIGA, and the Bank. "FIAS is becoming a central source of knowledge and expertise on FDI for the Bank Group as a whole," says Mr. Bergsman. He was the FDI expert on the Bank's economic mission to Czechoslovakia in May 1990. His job was to identify what the country needs from FDI and how it must change its laws, regulations and institutions to get what it needs.

Debt-equity swap programs

FIAS also does research on issues raised in the course of its advisory work—for example, it has studied debt-equity swap programs in Latin America to determine their effect on FDI, and it

has examined the effectiveness of different techniques for promoting FDI. FIAS has sponsored five seminars, conferences, and roundtables, bringing government officials, private investors, and experts together to discuss a broad range of issues related to FDI.

'Joint venture'

FIAS has been jointly operated by IFC and MIGA since MIGA's founding in September 1988; it shares a suite of offices in the P Building with MIGA. Its activities must be approved by both the Director of IFC's Economics Department, Guy Pfeffermann, and MIGA's Vice President for Policy and Advisory Services, Ghassan El-Rifai. FIAS is the only "joint venture" in the World Bank Group, and the only unit responsible for funding most of its operating expenses—including salaries and overhead itself. Budget support from IFC and MIGA covers only 20 to 25 percent of FIAS' costs; FIAS

raises the other 75 to 80 percent of its funding from a variety of sources: fees paid by client countries, and contributions from UNDP and several industrialized countries. "Our ability to raise these funds reflects our clients' demand for our services, as well as the support of many aid donors," says Mr. Bergsman. "But," he adds, "a lot of staff time is devoted to fund raising."

Policy advice

As FIAS' experience has shown, developing countries need policy advice and technical assistance as well as capital. According to Mr. Weigel, "FIAS has had an impact in the sense that many governments have acted on our recommendations, although not always right away. The ultimate test of our impact, of course, is whether our recommendations help governments achieve their objectives. We think we are seeing positive results in a number of countries." ■

Development Committee Focuses on Key Issues

by Alan Drattell

It was a rite of spring. The Development Committee held its semi-annual meeting in Washington, D.C., last month.

The Committee focused its day-long discussion on three topics:

(1) the contribution of the private sector to development and the roles of the World Bank Group and the IMF;

(2) the debt strategy and its impact on the development prospects for all severely indebted countries; and

(3) the long-term perspective for development of Sub-Saharan Africa.

The Committee, under the chairmanship of the Hon. B.T.G. Chidzero, Senior Minister of Finance, Economic Planning and Development of Zimbabwe, also considered the concept of a global environmental facility, trends in the transfers of resources, and current international trade developments.

Mr. Chidzero provided the framework in which the Committee approached its

business, stating in his opening remarks, "I believe that the international community urgently needs a closer collaborative approach now more than ever in order to address the key economic and financial challenges faced by the developing world.

"As we enter the 1990s, the development prospects of most developing countries are not promising. The sharp drop in the transfer of resources, the debt overhang and the uncertain trade pros-

pects impose a severe restraint on investment and growth. Moreover, the declining trend in national savings in both developed and developing countries raises serious concerns about the world's investment and growth prospects."

In a communiqué, the Committee welcomed the growing emphasis developing countries are giving to the role of the private sector, but Mr. Chidzero noted that "industrial countries can also assist in promoting the flow of foreign direct investment, which provides not only funds but also modern technology and managerial expertise." MIGA will be publishing a study on foreign direct investment later this year.

EBRD

The proposal to establish a European Bank for Reconstruction and Development (EBRD), which will focus on private sector development, was seen as a welcome initiative. But Mr. Chidzero warned that "the large requirements of Eastern European countries for capital investment will add significantly to the competition for foreign savings. We must ensure that this does not lead to the further deterioration in the flow of resources to developing countries." He suggested the Bank monitor these developments and report periodically to the Committee.

The Committee also noted the important roles played by IFC and MIGA in assisting private sector development, stating that IFC should continue to review its capital needs so it can fulfill its role in this area of concern. Members asked the Corporation to inform them of progress at the September meeting.

The Committee reaffirmed its support for the strengthened debt strategy, reiterating the need to maintain a case-by-case approach to commercial bank financing packages. It underlined the central importance of appropriate adjustment programs, including measures to encourage investment and the return of flight capital. Members called on the Bank and the Fund to continue to pro-

vide support for debt and debt-service reduction programs, and to review them.

"Despite repeated discussions of the debt problem at our previous meetings," Mr. Chidzero said, "the economic prospects of the severely indebted countries are still bleak. It is evident that debt relief alone should not be considered a panacea."

In another area, members welcomed the agreement in principle among donors for an extension of the Special Program of Assistance to Africa and urged them to indicate their levels of adjustment assistance for 1991-93 at the SPA session scheduled for this coming fall.

"We think Africa must have a special human resource development program to try to get destiny of the continent in the hands of Africans," said Bank President Barber Conable at a press briefing.

The Committee also encouraged the Bank to continue efforts to integrate better environmental considerations in its operation, noting the upcoming review scheduled to be part of the institution's 1990 Annual Report.

Global environment protection

Members considered a Bank report on funding global environment protection and generally agreed that further work needs to be done to develop methods for the Bank to assist developing countries

*'As we enter the
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development
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countries are not
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—B.T.G. Chidzero

to take actions which contribute to the reduction of worldwide environmental problems. They also urged the Bank to take steps to reinforce and expand existing environmental programs which contribute to the same objective, and work closely with UNEP and UNDP and other parties as necessary.

"It is very difficult to get people to borrow...for the long-term investment which will benefit others as well as themselves," Mr. Conable noted. "And, so, if you have the carrot of concessional funds available and can start dealing with some of the issues, like desertification and CFCs, through the use of money gathered on that basis, we think we can make a contribution globally in ways that will be not only helpful but synergistic with the whole development effort."

The Committee, noting its concern regarding countries facing payment difficulties, asked the Bank, in consultation with the regional development banks, to review current policies and procedures for handling overdues and to present a report to the Development Committee in September.

Declining trend

Except for the last two years, according to Mr. Chidzero, growth in the volume of world trade—particularly that of low- and middle-income countries—was weak. "The terms of trade for these countries have also shown a stagnant or even declining trend throughout the '80s. The negative impact on the resulting export earnings' shortfall on the implementation of adjustment programs is a matter of great concern.

"Although many low- and middle-income countries introduced various trade policy reforms with high hopes, the drift of trade policies in the industrialized countries has been toward greater protectionism." He added that it is still not clear whether the Uruguay Round will change this situation.

The next session of the Development Committee will be held on September 24 in Washington, D.C.



Envy Thy Neighbor?

by Chris Parel

Do not measure another's coat on your own body.—Malay proverb

Maybe the only good thing to come out of the Irwin incident is that, for a moment, we all donned the World Bank *coat*. We put aside our differences and rallied to the Bank's defense.

This contrasts with our previous fractious behavior. Perhaps because we are so large, so heterogeneous and so complicated, we gather in disaffected groups along the Bank's many fault lines. And one result is a "We versus They" mentality.

What are we talking about? In a typical week (take last week), the "We" and "They" had this to say about one another and our elected representatives:

- *U.S. Staff:* "The U.S. government doesn't stand up for us. We pay taxes and Social Security out of our supposedly 'net' salaries. The SA is busy trying to get home leave for Permanent Residents and defending education benefits for G-IVs while we put our kids in public schools and pay to visit our families. When is the SA going to do something for Americans?"

- *Non-U.S. Staff:* "Americans have all their taxes paid by the Bank. The cost to the Bank is far greater than the meager benefits non-U.S. staff get. When are you going to do something for us?"

- *G-IV Staff:* "We don't get any deductions when we buy a home and pay property taxes. The few benefits we get are in constant danger of being taken away. We're faced with a weakening dollar, immigration restrictions and inadequate tax coverage. What's the SA doing?"

- *Permanent Residents:* "The Bank changed its rule in 1985 and now we have the worst of both worlds. We have the expat restrictions on property purchase and we're cut off from our home countries. Fifty percent of the G-IVs could stay in the U.S. after leaving the Bank if they wanted, so don't talk to us about equity."

- *Female Staff:* "It's the 'old boy' network. The statistics are starkly clear—

the Bank is male-dominated and women are shut out."

- *Male Staff:* "What more do they want? Conable has set targets. Women are getting preferential treatment, crowding out men."

- *Staff in Grades 11-17:* "Why aren't you doing more to help us? You care only for Higher Level staff. We don't want an extrapolated pay line; we want the same comparators. What are you doing about the SSAG recommendations?"

- *Staff in Grades 18-26:* "The SA is run by and for Support Staff. The only issues you care about are support level issues."

- *Managers:* "The SA sometimes acts like a bunch of radicals, malcontents, misfits. It stirs things up and makes morale worse."

- *Non-Managers:* "When is the SA going to do something about lack of people management skills? Managers are at fault for what's wrong at the Bank."

- *Multi-Year Non Regular Staff:* "We do the same work you do. Nevertheless, we pay more for health insurance, have no pensions and can't compete for regular positions."

Have you identified yourself? At one time or another, everyone at the Bank probably falls in the "We versus They" trap.

Let's consider some facts. First, the SA counts among its members staff from all of the constituencies. There are also 30 active Working Groups (WG) looking after staff interests. Ten are run by and for constituencies, 20 are institution-wide in their mandate. The major SA efforts (Compensation, SRP, Benefits, Rehabilitation Project) serve all staff. Eighty percent of our budget goes to support these efforts.

Some more facts. Tax reimbursement may be a cost for the Bank, but many U.S. staff see their net salaries eroded because reimbursements are insufficient. The U.S. government is partly to blame because it hasn't ratified, as have most other member countries, the convention exempting staff of international organiza-

tions from paying taxes on their salaries. On the other hand, non-U.S. staff have a legitimate gripe about property, immigration and estate taxes. Again, the U.S. government is the prime culprit.

Furthermore, home leave and education are commonplace expatriate benefits elsewhere. They're especially important for us because they partially compensate for the Bank's low benefit contribution rate relative to European comparators.

Women continue to be under-represented and there is need to consolidate last year's gains—which were in no small part achieved on the strength of the SA Working Groups' efforts. SWWG has one of our largest budgets this year.

Likewise, staff in grades 11-17 have a very active WG that recently completed an important compensation survey. And by the way, since we have an integrated pay line, it's in everybody's interest to get fair and equitable pay for 18-26 staff. Also, it's not clear that using the same comparators would help staff in grades 11-17.

Managers and non-managers? We have WGs working hard on management effectiveness issues, PPR reform, subordinate evaluation and management training programs.

So the next time you find yourself talking about "We" and "They," you might pause and think about the following:

- *We're all in this together. What affects one individual or group may end up affecting everyone.*

- *Benefits and equity are not a "zero sum game" at the Bank. Advantages others may have could in the end help you to be treated more equitably.*

- *Self-interest is a strong human drive and when properly directed can be an enormously effective vehicle for change.*

- *"Equity" is one argument the Bank will listen to.*

- *We can't afford to let the differences between "We" and "They" obscure the much greater shared need to make the Bank more responsive to staff and client concerns.*

Around the Bank



From left to right: Daphne Minott, Marva Angus, Nahed Saab, David Hopper, Claudette Morgan, Manel Gunasekara, Mary Philip and Maureen Parde at Mr. Hopper's retirement party.

The W. David Hopper Fund

Forgoing a more traditional farewell gift which often has limited utility even if expressing great sentiment, the friends and colleagues of W. David Hopper used the occasion of his retirement as Senior Vice President, Policy, Planning and Research, to establish a fund in his name. Interest from the fund will be used to finance one or two grants to be awarded annually to deserving students—at least one of them female—at the Indian Agricultural Research Institute, a graduate school in New Delhi where Mr. Hopper previously taught.

To date, more than \$3,000 has been raised. The fund will receive a big boost from Mr. Hopper himself, who has promised to match contributions, whatever the amount. Those wishing to contribute can send a check made out to the W. David Hopper Fund to Gretchen Handwerker in Rm. D-1205.

1991 Meetings Logo

The official logo of the World Bank/IMF Annual Meetings to be held in Bangkok has been selected. It is shaped like a "pod duang" or Bullet Money, the old Thai

metal currency. The inner ring represents a Thai lotus bud encircling the names of the institutions. Overall, the symbol reflects Thai heritage and the financial conference.

The logo was designed by Ak-Kasit Yindeemok, whose work was selected from among 158 entries judged by a 16-member committee of officials from various financial institutions, artists and the press. The "pod duang" logo will also be printed on stamps, posters and souvenirs sold during the Annual Meetings.



Riggs Award for Samuel Paul

Samuel Paul, Adviser in the Bank's Public Sector Management and Private Sector Development Division, has won the Fred Riggs Award of the American Society of Public Administration (ASPA). This award is given by ASPA for excellence in the study and practice of international and comparative administration.

The award, given during ASPA's annual convention in Los Angeles on April 10, cited Mr. Paul's outstanding contributions over the past 25 years to the study of the management of development and his influential writings on strategic management in the public context. Mr. Paul, an Indian national, is the first non-American to receive this honor.

Prior to joining the Bank in 1984, Mr. Paul was Director and Professor of Economics at the Indian Institute of Management at Ahmedabad. He has also been a chief technical adviser with the International Labor Organization and a visiting professor at Harvard University.

WBVS Update

WBVS is an active organization, supported by the World Bank Group, which provides information and support to families. Over the years, it has been among the first to perceive family needs as they evolve and has frequently initiated programs to fulfill them. The WBVS newsletter conveys information about its activities and keeps members current on issues and concerns affecting families. If your spouse does not receive the newsletter and would like to, send her/his name and address to the WBVS Office, Rm. I-1172.

Letters to the Editor

To the editor:

To my surprise, I received an envelope made out of 100 percent cotton. It would be great if the Bank, in addition to recycling, started projects in developing countries to grow more cotton and created factories to make paper out of it. It would not only be better for the environment but could also create more economic activity and jobs.

The Bank is now recycling paper. My concern, however, is that there is no indication on the dark and gray wastebaskets on what should be—or not be—thrown into each of them. Although I once saw a circular on this matter, I suspect many staff misplaced it, and that new staff and temporaries will not know about this.

I suggest two different stickers of different colors be put on the gray and dark trash cans, on both sides, specifying that such trash can is for recycling or non-recycling purposes, and what should or should not be thrown into them.

Sylvie Danant
AF5AG

New Staff Members

Khaleed Ahmed

Pakistan
Investment Off./IFC/5/7

Ramasastri Ambarish

India
Financial Officer/TRE/5/1

Catherine G. Baumber

United Kingdom
Secretary/PAD/5/14

Azucena Beckerman

United States
Plan. & Budget Off./IFC/4/16

Sunil K. Bhattacharya

India
Procurement Spec./AF2/4/30

Adel F. Bichara

Egypt
Irrig. Eng./AF2/4/23

David A. P. Butcher

United Kingdom
Anthropologist/AST/4/30

Jose C. Carbajo

Spain
Economist/INU/4/23

Silvia S. Delgado

Bolivia
Bilingual Secretary/LA3/5/21

M. Desthuis-Francis

United Kingdom
Engineer/IFC/4/23

John Dixon

United States
Environmental Econ./LAT/4/30

David H. Fretwell

United States
Emp. and Train. Spec./EMT/
5/14

Sunita Gandhi

India
Young Professional/YPP/4/30

Patrice A. Harou

Belgium
Economist/AF4/4/30

Charles McPherson

Canada
Sr. Economist/PRE/4/30

Rene G. Mendonca

Portugal
Power Eng./IEN/5/14

Parveen Moses

India
Secretary/IEC/5/7

Petter Nore

Norway
Energy Econ./IEN/5/21

Sandhya Ramnath

India
Programmer Analyst/CSH/5/21

Carlos Rovira

El Salvador
Sr. Fin. Oper. Off./IFC/4/23

M. Serieux-Blanchard

St. Lucia
Secretary/EDS/4/30

Martine Serigos

France
Translator/GSD/5/14

Jose Simas

Brazil
Irrig. Eng./LA2/4/23

Jitendra Srivastava

India
Crop Science Spec./AGR/4/30

Kalanidhi Subbarao

India
Economist/PHR/5/21

Michele Thurston

United States
Secretary/AF1/4/23

Ellen C. Watts

Australia
Word Processor/GSD/4/23

David Wheeler

United States
Industrial Economist/IEN/4/30

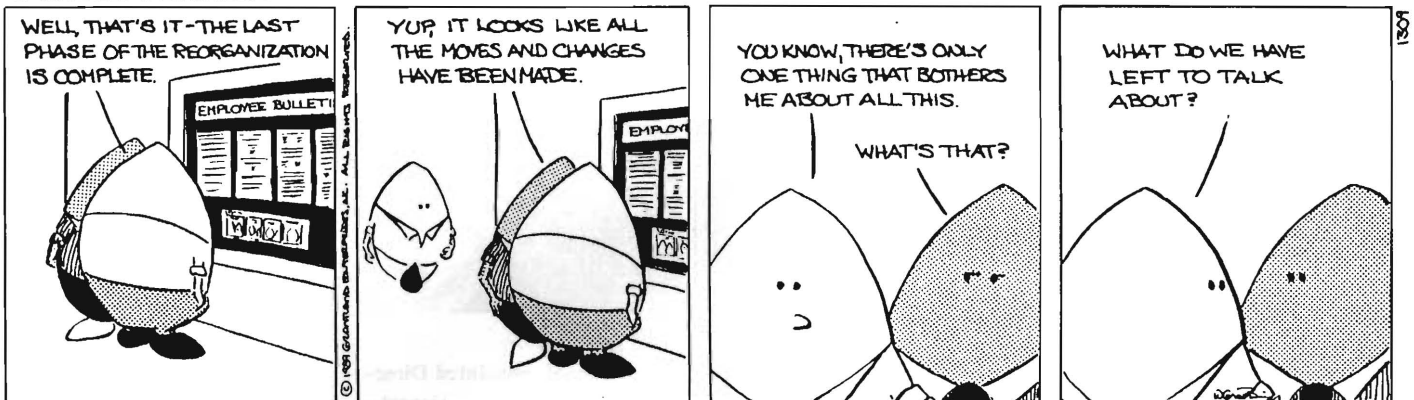
Vivan Chi Woon Wong

United Kingdom
Public Health Spec./PHR/5/1

Fatimah S.M. Zwanikken

Netherlands
Guarantee Officer/MIGA/5/1

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Senior Staff Appointments



Tim Cullen
U.K. national, promoted to Chief, Information and Public Affairs Division, External Affairs Department, effective May 1.

1978: Joined the Bank as News Coordinator, Information and Public Affairs Dept....1980: promoted to Public Affairs Specialist for North America...1982: named Assistant to the Director, same dept....1984: appointed Chief, Information and Public Affairs Unit in the Bank's European Office, Paris.



Jacques Daniel
French national, appointed Resident Representative in Lome, Togo, effective May 7.

1983: Joined the Bank as an Economist in West Africa Country Programs Dept. II...A year later, promoted to Senior Economist in the same dept....1985: seconded to the IMF as its Resident Advisor in Conakry, Guinea...1988: returned to the

Bank and assigned to the Country Operations Div. of the Occidental/Central Africa Dept.



Stephen Denning
Australian national, promoted to Country Director, Southern Africa Department, effective July 1.

1969: Joined the Bank as a Young Professional...1970: Loan Officer, Western Africa Department...1974: Senior Loan Officer, Western Africa Country Programs Department II, and later that year, Program Coordinator, Office of the Regional Vice President, Western Africa Region...1976: Division Chief, Western Africa Country Programs Department I...1982: Chief, Population Health and Nutrition Department...1987: Senior Operations Adviser, Office of the Regional Vice President, Africa Regional Office.



Michael J. Gillette
U.S. national, named Director, Occidental and Central Africa Department, effective July 1.

1970: Joined the Bank as Programming Officer, Programming and Budgeting Department...1974: Chief, Division 2C, Western Africa Country Programs Department II...1983: Director, Accounting Department and Deputy Controller... Following the reorganization, Director, Sahelian Department.



Paul Isenman
U.S. national, appointed Director, Policy and Review Department, effective July 1.

1976: Joined the Bank as Senior Economist, Program Review Division, Policy Planning and Program Review Department...Led the team that produced the 1980 *World Development Report*...1980: promoted to Se-

nior Economist, Office of the Director, West Africa Country Programs I...1986: promoted to Chief Economist, Eastern and Southern Africa Regional Office...1987: named Director of the South-Central and Indian Ocean Department, Africa Regional Office.



Eduardo Locatelli
Uruguayan national, named Resident Representative in Cotonou, Benin, effective May 10.

1982: Joined the Bank as an Agriculturist in Division 4, West Africa Projects Dept....1985: transferred to Division D, same dept....1986: assigned to the Bank's Regional Mission in Abidjan, Cote d'Ivoire, where he was promoted to Senior Agriculturist in 1988.



Katherine Marshall
U.S. national, promoted to Director, Sahelian Department, effective July 1.

1972: Technical Assistant to the U.S. Executive Director...1973: Joined the Bank as a Young Professional...1974: Economist, Agriculture Credit and Livestock Division, Eastern Africa Projects Department...1979: Chief, Central Agriculture Division, Eastern Africa Projects Department...1986: Chief, River Plate and Bolivia Division, LAC Country Programs Department II...1987: Chief, Country Operations Division 1, LAC Country Department III.



John M. Page, Jr.
U.S. national, appointed Chief, Country Operations Division I, Country Department III, Latin America and the Caribbean Region, effective May 15.

1980: Joined the Bank through the Young Professionals Program...1981: appointed Economist in the Development Economics Dept., Employment and Rural Development Div....1982: transferred to Development Research Dept., Productivity Div....1983: joined the Industry Dept., Industrial Strategy and Policy Division as Industrial Economist...1984: promoted to Senior Industrial Economist, same div....1985: named Deputy Chief, Industrial Development and Finance Division 2, LAC Projects Dept....1987: promoted to Chief, same div. Following the reorganization, named Chief, Trade Finance and Industry Sector Operations Division, Country Dept. III, LAC.



Alfonso Sanchez
Colombian national, promoted to Procurement Advisor, Asia Region, effective June 1.

1976: Joined the Bank as a Sanitary Engineer in the Water Supply and Sewerage Division, Projects Department, Latin America and the Caribbean Region...1979: promoted to Senior Sanitary Engineer...1980: left the Bank...1981: Rejoined the Energy and Water Supply Division, Projects Department as Senior Engineer...1986: named Deputy Division Chief in the Energy Division, Projects Department, South Asia Region...1987: named Principal Engineer in the Transport and Energy Operations Division, Asia Country Department IV.



Sven Sandstrom
Swedish national, named Director, Office of the President, effective June 18.

1972: Joined the Bank as a Young Professional...1973: transferred to the Transport and Urban Projects Department where he was promoted to Deputy Division Chief, Division 2, in 1977 and Chief, same div. in 1979...1986: promoted to Assistant Director in Eastern and Southern Africa Projects Department...1987: promoted to Director, Southern Africa Country Department.



Alexander Shakov
U.S. national, appointed Director, External Affairs, effective July 1.

1981: After a long career with the Peace Corps and USAID, joined the Bank as Special Policy Adviser in the Office of the Director, Policy Planning and Program Review Dept....1982: Named Chief, Policy Unit, Country Policy Dept....1983: transferred to International Relations Dept. as Senior Adviser, International Economic Affairs, where he was appointed Chief in 1985. 1987: promoted to Director, Strategic Planning and Review Dept.

AnswerLine

The purpose of this column is to answer questions of broad interest concerning the World Bank Group's policies and procedures. Please include your name and room number so we can send you the answer to your question, even if it is not selected to appear in the magazine. Your confidentiality will be protected and your name will not be submitted to the manager from whom an answer is sought. An anonymous question can only be answered if it is of sufficiently broad interest to be included in the magazine. Send your questions to: Answerline, The Bank's World, Rm. E-8044.

* * *

Note: Questions about the rehabilitation of the Main Complex should be sent to Answerline as well.

* * *

Question: Since the Bank/IFC has a unique zip code, why don't we have a full-service post office?

Answer: Many organizations which have a large volume of mail have their own unique zip code. The Bank's zip code, 20433, facilitates the sorting process at the post office, enabling faster service. The use of unique zip codes is in no way related to the location of full-service post offices. GSDMD has contacted the U.S. Postal Service concerning the possibility of having a postal facility on site, but the World Bank Group does not, on its own, generate enough revenue to justify it. As a service to staff, stamp machines have been placed at the following locations:

D-2—in the tunnel lobby for the J building

I-1—in the corridor next to the notice boards

J-1—in the lobby next to the Credit Union ATM.

Additionally, staff may deposit their personal stamped mail in the Outgoing Mail Unit, Rm. F-145. For other, more so-

phisticated postal needs, full-service post offices are located within easy walking distance of the Main Complex—on 19th Street, N.W., between L and M Streets, for instance. *David Murray, Chief, Mail and Distribution Section*

Question: Recently I entered one of the Bank's cafeterias a few minutes after 2:30 p.m. and found that all the bread and rolls at the sandwich bars were being thrown out. I could not help thinking what a waste it was. My two questions: what else is being thrown out on a daily basis, and why can't we preserve this food or just give it to a homeless shelter?

Answer: As food purchasing and production are based on historical data, leftovers tend to be minimal. Those that have not reached the end of their shelf life are reused in accordance with strict District of Columbia Health Department guidelines. Some can be served again (lasagna), some are used as ingredients in other dishes (vegetables in soup), some comprise the 170 Marriott employee meals served daily, and those not meeting health or quality standards (expired date codes) are discarded. Leftover breads, depending on the type, can be used to make bread stuffings, puddings, and crumbs for breading fried items. The only products discarded are ones outliving their shelf life and potentially unsafe for consumption.

Previously, Marriott acted as an agent of the Bank, purchasing food on the institution's behalf. Under a renegotiated contract effective January 1, the financial risk for operating the Bank's food services transferred from the Bank to Marriott, an arrangement under which the ownership of the food inventory also transferred to Marriott. A spokesperson for Marriott's Business Food and Services Division stated that, for liability reasons, policy did not permit the donation of leftover food. *Margaret Clark, Chief, Food Services Section, General Services Department*

Question: What policies, if any, does the Bank have on promoting democratic regimes through its lending? It has collaborated with many dictatorships but on occasion it shows its distaste of them. Should we be more insistent on democratic change before we invest? True, our mission is to help the world economically, not politically. However, laws passed by dictatorial regimes clearly diminish project effectiveness and make large-scale embezzlement of funds possible. Pressuring for democracy and rewarding changes might actually be good business for the Bank.

Answer: The Bank's mandate for its developing member countries is to assist them in their economic development. Its attitude towards the political organization of its member countries, be they democratic or not, is stated in Article IV, Section 10, of the *Articles of Agreement*, as follows:

The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the [Bank's] purpose...

Analyses by the Bank of a borrowing country's economic conditions and prospects can and should take into account the economic effects of that country's policies. However, under the quoted provision of the Articles, these economic effects must be considered together with all other relevant economic factors in the light of the Bank's economic development purposes. *Gregory Ingram, Principal Adviser to the Senior Vice President, Policy, Research and External Affairs*