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Folder Title: Michael Bruno - Internal Chronological Records - Correspondence - July - September 1993

Folder ID: 1459975

Series: Michael Bruno's Chronological Correspondence File (Internal and External Chronological Files)

Dates: 07/15/1993 - 09/25/1993

Subfonds: Records of the Office of the Vice President, Development Economics and Chief Economist and later Senior Vice President, Development Economics and Chief Economist (DECVP)

Fonds: Records of the Office of the Chief Economist

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THE WORLD BANK

Washington, D.C.

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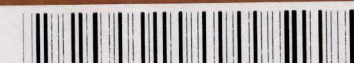
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Michael Bruno - Internal Chronological Records - Correspondence - July - September
1993

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**INTERNAL
CHRON**

(interim)

July, 1993

=====

S E P T E M B E R

OFFICE MEMORANDUM

Chron

DATE: September 24, 1993

TO: Mr. Ernest Stern

FROM: Michael Bruno MB

EXTENSION: 33774

SUBJECT: Belarus-Proposed Rehabilitation Loan

I have no objection to authorizing the Region to negotiate this loan.

Despite this support, I do want to invite your attention to some problems of macro-economic management and what appear to be optimistic projections. As a member of the Ruble zone, Belarus' economy is closely tied to Russia's economy, and the inflation rate in Belarus is taken as the inflation rate in Russia. However, the macro scenario assumes inflation to be "only 600% for 1993. GDI and private consumption are projected to grow by 0.4% and 10.3% respectively in 1994, while oil price levels are being increased by Russia. Capital flight appears to be neglected, but is a real possibility given the close monetary ties between Russia and Belarus and the continuing problem in Russia. Even abstracting from capital flight, the macro scenario identifies a financing gap of about \$400 million per year from 1995 to 2000, after disbursements from the rest of the world of \$500 million per year and direct foreign investment totalling \$1 billion over the projection period. And interest rates are severely negative in real terms, so that corresponding interest subsidies must be a substantial fraction of GDP. I attach a memo from Mr. Gelb on some of these points.

As our understanding of the economy improves and we move to future operations, these will be important issues to address.

Attachment

World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: September 22, 1993 12:01pm

TO: Michael Lav

(MICHAEL LAV)

FROM: Alan Gelb, PRDTM

(ALAN GELB)

EXT.: 37667

SUBJECT: Belarus: Comments

As I have meetings this pm, some comments now on Belarus macro pages sent this morning.

As noted, the macro scenario is very uncertain, especially now with events in Russia. There are certainly some questionable aspects of the assumptions. For example, do we still think that 1993 Russian inflation will be 600%? A lot will depend on the future extent of Russian technical credits, and on the speed with which oil prices rise to world levels. In this connection, Table 2 shows some odd features. Why does GDI rise by 0.4% and private consumption by 10.3% in 1994 - while oil prices are being raised to world levels by Russia?

A deeper question concerns the prospect for a less traumatic transition in Belarus than in Russia. Officially measured output has declined less in Belarus, and its somewhat more favorable profile is projected to continue. There is a debate on the extent to which this reflects better adjustment (less chaos, shock) or less advance in structural reforms, in which case the price will be larger later. I do not know enough to comment on the balance of these views. Nevertheless, the projections note only a moderate deficit and a smaller primary deficit to GDP; even allowing for the more disciplined response of Belarus, this seems on the optimistic side, as the impact of restructuring hits home.

The projections also appear to abstract from potential capital flight? If Belarus stays tied to a depreciating ruble, with low interest rates, this may become sizeable, although maybe less large than in Russia because of the concentrations of resource exporters in that country.

CC: Sabah Moussa

(SABAH MOUSSA)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE:

TO: See Distribution Below

FROM: Michael Bruno, DECVF

(MICHAEL BRUNO)

EXT.: 33774

SUBJECT: Concert Tickets

I have just been given spare tickets to the Concert on Monday.

If you or your staff are interested, please collect them from Mila Divino in my office (Room 9035) on a first-come-first-served basis.

DISTRIBUTION:

TO: Anandarup Ray ✓

(ANANDARUP RAY)

TO: Shahid Yusuf ✓

(SHAHID YUSUF)

TO: Gregory Ingram ✓

(GREGORY INGRAM)

TO: Amnon Golan ✓

(AMNON GOLAN)

TO: D. C. Rao ✓

(D. C. RAO)

TO: John Page ✓

(JOHN PAGE)

THE WORLD BANK GROUP
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES
MULTILATERAL INVESTMENT GUARANTEE AGENCY

INTERNATIONAL MONETARY FUND

Boards of Governors • 1993 Annual Meetings • Washington, D.C.

September 22, 1993

TO: Vice Presidents - World Bank Group
Heads of Departments, Bureaus and Offices - International Monetary Fund

FROM: Erik Friis 

SUBJECT: 1993 BANK/FUND ANNUAL MEETINGS
CONCERT - MONDAY, SEPTEMBER 27, 8:30 p.m.
CONSTITUTION HALL, 18TH & D STREETS, N.W.

As a result of the move of the Concert from the John F. Kennedy Center for the Performing Arts to the larger Constitution Hall, some additional seats can be made available to staff of your Vice-Presidency or Department.

We attach a number of tickets for you to make available to your staff. We would be grateful if any remaining tickets could be returned by noon on Sunday September 26, to Ms. Vittas in the Joint Secretariat Social Invitations Office at the Sheraton Washington Hotel, Room No. 111, so that they can be reallocated to other staff on request. Please note that returned tickets may be requested on a first-come-first-served basis by calling the Joint Secretariat Social Invitations Office at telephone number 319 3095.

The program for the Concert is:

Berlioz	-	Marche Hongroise (Rakoczy March) from "The Damnation of Faust"
Dvorak	-	Cello Concerto in B Minor, Opus 104
Brahms	-	Symphony No. 1 in C Minor, Opus 68

Baltimore Symphony Orchestra
Conductor: David Zinman
Soloist: Yo-Yo Ma (Cello)

No parking is available at Constitution Hall. Parking space for staff will be available in the Bank "H" Building garage and the Fund garage.

cc Ms. Vittas

Mail Address:
JOINT SECRETARIAT
IMF - WORLD BANK GROUP
WASHINGTON, D.C. 20431 U.S.A.

Cable Address:
INTERMEET
WASHINGTONDC (USA)

Courier Deliveries:
JOINT SECRETARIAT
IMF - WORLD BANK GROUP
IMF BUILDING
700 19TH STREET, NW
WASHINGTON, D.C. 20006

Telex:
64111 IMF UW
248331 IMF UR
197677 FUND UT

Facsimile:
(202) 623-4661

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE:
		9/24/93
NAME		ROOM NO.
Mr. Page		
APPROPRIATE DISPOSITION	NOTE AND RETURN	
APPROVAL	NOTE AND SEND ON	
CLEARANCE	PER OUR CONVERSATION	
COMMENT	PER YOUR REQUEST	
FOR ACTION	PREPARE REPLY	
INFORMATION	RECOMMENDATION	
INITIAL	SIGNATURE	
NOTE AND FILE	URGENT	
REMARKS:		
Re: Attached		
John, could you ask someone in PRD to evaluate and draft a response from me to Mr. Bhandari.		
Thanks, Michael		
FROM: Mr. Bruno	ROOM NO.: S-9035	EXTENSION: 33774

OFFICE MEMORANDUM

DATE: September 22, 1993

TO: Mr. Michael Bruno, Vice President, DEC

FROM: K. Bhandari, Acting Chief, Recruitment Division, PMD

EXTENSION: 30818

SUBJECT: Mr. Angelo Cardani

KA.

We had sent this package to Mr. Rao last month, but somehow it was misplaced. Mr. Rao feels that we should seek your input. I will appreciate it very much if you could let us have your assessment of this candidate.

Attachments



Record Removal Notice

File Title Michael Bruno - Internal Chronological Records - Correspondence - July - September 1993		Barcode No. 1459975		
Document Date 08/26/1993	Document Type Letter & CV			
Correspondents / Participants From: K. Bhandari To: Mr. D.C. Rao, Acting Vice President, DEC				
Subject / Title Mr. Angelo Cardani				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

Mila - Int. Chron. P/s

International Economic Association



Moscow, Federation of Russia,

August 24 — 28, 1992

THE TENTH WORLD CONGRESS
OF THE INTERNATIONAL ECONOMIC
ASSOCIATION

Information Bulletin

Sent To Shahid Yusuf

Shahid,

This was the actual Moscow
Program. It had too many
simultaneous meetings and I wasn't
going back to an earlier pattern of meet-
ings (Athens?)

Michael

P.S. please return.

Дного хозяйства
оссийской Федерации
кадемия наук
сква

chr

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE:
		9/23/93
NAME		ROOM NO.
Mr. John Page		
APPROPRIATE DISPOSITION	NOTE AND RETURN	
APPROVAL	NOTE AND SEND ON	
CLEARANCE	PER OUR CONVERSATION	
COMMENT	PER YOUR REQUEST	
FOR ACTION	PREPARE REPLY	
INFORMATION	RECOMMENDATION	
INITIAL	SIGNATURE	
NOTE AND FILE	URGENT	
REMARKS:		
John, Could you prepare a reply to TN for my signature? Thanks.		
Michael		
FROM:	ROOM NO.:	EXTENSION:
	S9 035	B3774

5 pages - Total

cc. Mr. Page
Mr. Walton

P. 01

8885

Yale University

T.N. SRINIVASAN
Samuel C. Park, Jr. Professor
of Economics



DEPARTMENT OF ECONOMICS
Economic Growth Center
Box 1987, Yale Station 208269
27 Hillhouse Avenue
New Haven, CT 06520-1987
Telephone: 203 432-3630
Fax: 203 432-3635
Telex: 9102508365
SEP 20 PM 1:07
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ECONOMICS
ECONOMIST

September 20, 1993

Professor Michael Bruno
Vice President and Chief Economist
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
Fax: 202-477-0549

Dear Michael:

I understand that there will be a press briefing on September 24 on the Bank's East Asia Miracle Study. The overview chapter of the study, which was circulated to a meeting of the South Asia group this summer, seemed to me to reach conclusions beyond what the country studies (on which it is supposed to be based) warranted. Its reasoning fits the description "post hoc ergo propter hoc"! I enclose a memo I wrote soon after the South Asia group meeting.

It will be a great disservice to the cause of promoting sensible development strategies and policies if a simplistic view of the East Asian success is presented. First of all, there are reasons to believe that there was no total factor productivity growth in East Asia: Larry Lau, whose econometric skills I respect, and his co-author have shown that such a hypothesis cannot be rejected. Of course, this does not rule out technical progress being embodied in the capital goods they imported, and certainly their outward orientation and success in exporting enabled them to import equipment. But the point still remains that there was no TFP growth. Vinod Thomas has a copy of Larry's paper. Second, the fact they invested in human capital to a greater extent than, say, South Asia has to be put in perspective: after all, Philippines in the East Asian region did not do well in spite of its human capital accumulation. Third, the 'culture' and 'authoritarianism' hypotheses (and, to be fair, the overview does not offer either) ought to be firmly rejected. I cannot resist the following quote from a report written in 1915 of an Australian expert invited by the Japanese government, which I owe to Jagdish

My impression as to your cheap labour was soon disillusioned when I saw your people at work. No doubt they are lowly paid, but the return is equally so; to see your men at work made me feel that you are a very satisfied easy-going race who reckon time is no object. When I spoke to some managers they informed me that it was impossible to change the habits of national heritage.

The contrasting performance of South and North Korea is another piece of evidence against this silly 'culture' hypothesis. Japanese culture is no

different today than it was when the Australian consultant wrote his opinion and when the Japanese label was a synonym for cheap but poor quality products. Fourth, authoritarianism of the regimes is not in itself a formulae for success: witness Indonesia under two authoritarians, Sukarno and Suharto, and several failed authoritarians in Africa. Finally, as the overview rightly emphasizes, the interventionism of some East Asian countries in the economy and control on imports are again by themselves not a formulae for success; after all, East Asia also includes Hong Kong where there was essentially free trade and no intervention. In any case, superficially similar Indian and other interventions failed miserably.

It seems to me that the only plausible story is that East Asia accumulated conventional factors much more rapidly than many developing countries and provided an incentive structure for their efficient utilization, particularly by limiting the duration of public assistance to industries and credibly enforcing the withdrawal of such assistance if the assisted industries failed the market test of international competitiveness. There simply is no miracle here.

I hope you are enjoying your work. All the best,

Sincerely,

T.N.

T. N. Srinivasan

TNS:ld
Enclosure

THE WORLD BANK/IFC/MIGA

OFFICE MEMORANDUM

DATE: July 21, 1993

TO: Messrs. Gobind T. Nankani, SASVP and Vinod Thomas, EAPVP

FROM: T.N. Srinivasan

EXTENSION: 8-9095

SUBJECT: Public Policy and the East Asian Miracle - Overview

I enjoyed participating in the panel on the lessons from East Asia to the developing world in general and South Asia in particular. I must admit, however, to being extremely shocked by the favorable evaluation and support from Javed Burki for the Chinese Communist Party's role in China's performance. It is beyond my comprehension how anyone, least of all Javed, could view with favor an institution that let nearly 30 million people die in a famine that could have been avoided, and forced millions to suffer the ravages of the Great Leap Forward, the Cultural Revolution and the one-child policy implemented with forced abortions. Javed could not possibly have meant that there was a consensus for all these policies. I would hope that Javed only meant to provoke discussion. It would be very unfortunate if he really believed in what he said and his views are identified with the Bank's assessment of Chinese experience.

It seems to me from reading the overview (and hearing John Page on another occasion on the same topic) that there is some post hoc ergo propter hoc reasoning in the overview, particularly in the analysis of why selective interventions succeeded in East Asia. The argument that East Asian interventions were in the form of contests whose rules and rewards were transparent, whose referees impartially enforced the rules and whose rewards accrued to those who met non-manipulable international market performance tests smack very much like an ex post rationalization rather than an ex ante causal explanation. My uneasiness arises from the fact that it is not enough to specify appropriate rules, rewards and their impartial enforcement. It is necessary to show that the incentives to deviate from the specified rules, for the referee to collude in condoning such deviation, etc., were absent. After all, in 1950 when India embarked on its planning for economic development, there was a broad consensus across the political spectrum on planning, a visionary and incorruptible political leadership (at the center and in the states) committed to development, as well as a very competent and honest bureaucracy at the decision-making levels. This happy circumstance did not last more than a decade or so. To what extent this was inevitable and to what extent the particular dirigiste development strategy contributed to it could be debated. The point is that without a deeper political-economy analysis to back it up, in particular whether or not an authoritarian framework committed to development is at the root of the impartiality of the referees, the three R's (Rules, Referees, Reward) are no more than catchy slogans. Maybe such an analysis is in the other chapters. If it is, it should be included in the overview as well.

Gobind T. Nankani, Vinod Thomas

- 2 -

July 12, 1993

The argument that East Asian economies had an unusually good macro-economic management and relatively stable political regimes both of which encouraged private domestic investment, needs to be qualified. Once again India's macro policies (until the eighties) had the stability of a grave-yard and there was no political instability at the center. In fact, in the eighties when macro prudence was abandoned with rising fiscal deficits financed by domestic and external borrowing and political instability seemed to threaten the center, growth was relatively rapid. Of course it was a debt-led unsustainable growth because there was no change in the 'fundamentals' as compared to the pre-1980's period.

Much was made of the "shared growth." Let me ignore the fact that the hypothesis that rapid growth will be accompanied by a deterioration in income distribution in the initial stage was more a conjecture by Kuznets rather than a firm deduction from theory and experience. But it is too much of an ex post attribution to claim that the leadership promised ex ante that the fruits of growth would be shared to elicit appropriate responses from the citizenry. It is hard to argue that egalitarianism was the objective of either President Chiang or President Park. Mao and his communist party certainly forced egalitarianism (outside of the leadership) but until the explicit move away from egalitarianism in the Deng era there was no spectacular growth. I would argue that the character of East Asian growth led to its fruits being shared widely rather than that a pre-announced objective of "sharing" the fruits led to rapid growth as an outcome. The argument that "very explicit mechanisms were used to demonstrate that all would have a share of future wealth" has no basis in fact. Korean and Taiwanese land reforms were carried by "outsiders" (in the Korean case before the growth strategy was adopted). Fertilizer price subsidies, preferential treatment of minorities and underprivileged, encouragement of small-scale industries, etc., through distortionary policies are not signals of shared growth but of stifling potential growth. Ample experience with similar distortionary policies elsewhere supports this conclusion.

Finally, as I mentioned in my presentation, the analysis of Jong-Il Kim and Larry Lau suggests that there was no TFP growth in the NIC's. They conclude that "the hypothesis that there has been no technical progress (or increase in efficiency) in the Newly Industrialized countries during the post-war period cannot be rejected. By far the most important source of economic growth of the Newly Industrialized Countries is capital accumulation accounting for more than 80 percent of their economic growth." (Jong-Il Kim and Lawrence J. Lau, "The Sources of Economic Growth of the Newly Industrialized Countries on the Pacific Rim," Stanford University (processed), December 1992.) If they are right, it means of course that the spectacular growth of NIC's is not a miracle but simply a consequence of their spectacular rates of accumulation of physical and human capital. Whether the latter should be deemed miraculous is debatable. But one thing (and perhaps this is the only thing) is likely to be more or less universally agreed: the policy framework of East Asia, in particular its emphasis on outward orientation and external market performance, and on the accumulation of human capital provided the incentives not only for rapid accumulation of physical capital and, more importantly, for its efficient

Gobind T. Nankani, Vinod Thomas

- 3 -

July 12, 1993

use. Thus, one does not have to look beyond the neoclassical explanations based on fundamentals (i.e. rapid accumulation of factors and a framework for their efficient use) to understand East Asian growth. There is no mystery or miracle.

cc: N. Birdsall
J. Burki
R. Coutinho
John Page

THE WORLD BANK/IFC/MIGA

OFFICE MEMORANDUM

DATE: September 17, 1993
TO: Mr. Lewis T. Preston
FROM: Michael Bruno MB
EXTENSION: 33774
SUBJECT: Portfolio Flows to Developing Countries

A conference to discuss the facts, prospects and implications of the surge in portfolio flows to developing countries was recently held at the Bank, sponsored by the Debt and International Finance Division of the International Economics Department. The key findings of the conference and policy implications are outlined in the attached note.

cc: Messrs. Karaosmanoglu, Sandstrom, Stern
Regional Vice Presidents
Regional Chief Economists

bcc: Mr. Rao
IEC and PRD Division Chiefs
PAU group (IECDI)
Portfolio Conference file

SClaessens/SGooptu
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Highlights of a symposium on portfolio investment in developing countries

Portfolio flows (i.e., bonds and equities) have quadrupled during the last four years, and now provide something like 20 percent of total external financing for developing countries. This turnaround in capital flows raises many issues: Are they sustainable? Are the terms right? How should they be managed?

Some of these issues were discussed in a recent conference organized by the Debt and International Finance Division (IECDI) on September 9/10, 1993. Policy makers, investors, academics, investment bankers, national regulators and officials of multilateral agencies were among the participants. Key findings are summarized below.

Prospects

- Market participants estimate that equity flows in the 1990s could be between \$13 and \$27 billion annually, as emerging markets are still underweighted in the portfolio of industrial country investors.

Factors motivating these inflows

- The improved macroeconomic performance and the structural reforms in the recipient countries; and the improved creditworthiness following the resolution of the debt crisis for many countries.
- Greater demand for private-to-private capital, in part a result of privatizations.
- Wider differentials in interest rate and equity returns.

Benefits for developing countries

- Greater risk bearing by investors (through equity investment).
- Reduced cost of capital.
- Greater efficiency in the development of domestic capital markets, which will enhance resource mobilization.

Policy implications for developing countries

- Establish an appropriate domestic institutional framework to effectively channel these flows.
- Lower barriers. The main barriers being: poor credit ratings; high and variable inflation; the limited size of an emerging stock market; the absence of a solid regulatory and accounting framework and investor protection; and restrictions on ownership which reduce the benefits of inflows and lead to "rents" that are captured by foreigners.
- Use various mechanisms to limit the appreciation of the real exchange rate.
- Carefully scrutinize the intermediary through which the flow occurs--banking system or stock market.
- Try to internationalize "local" risk. Permit international investors to buy local companies, because they can bear risks specific to the domestic economy more efficiently.

***** -JOURNAL- ***** DATE SEP-21-1993 ***** TIME 13:44 *****

DATE/TIME = SEP-21 13:43
JOURNAL NO. = 21
COMM.RESULT = OK
PAGES = 01
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RECEIVED ID = 972 3 5148883
RESOLUTION = STANDARD

-WB DECUP

***** -

202 477 0549- *****

**The World Bank
Development Economics Department
1818 H Street, N.W.
Washington, D.C. 20433, U.S.A.
Room S-9035**

Facsimile Transmittal Form

FAX No.: 202-477-0549

No. of Pages: 1
(including this page)

PHONE No.: 202-473-3774

DATE: September 21, 1993
TO: Mr. Moshe Sanbar, Chairman
Bank Leumi, Israel
FAX No.: 972-3-5148883
FROM: Michael Bruno
SUBJECT: Your Fax of September 14, 1993

Dear Moshe:

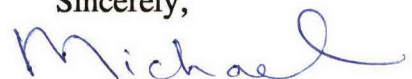
Thanks for your fax. I would be pleased to meet with you. May I suggest Thursday, September 30th, at 3:00 p.m., in my office at the World Bank. The address is:

World Bank
Room S9 035
1750 Pennsylvania Ave., NW
Washington, D. C. 20433

Please let me know how we can contact you, if necessary, nearer the time.

Best regards,

Sincerely,



Michael Bruno

OFFICE MEMORANDUM

DATE: September 17, 1993
TO: Mr. Lewis T. Preston
FROM: Michael Bruno MB
EXTENSION: 33774
SUBJECT: Portfolio Flows to Developing Countries

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Regional Vice Presidents
Regional Chief Economists

bcc: Mr. Rao
IEC and PRD Division Chiefs
PAU group (IECDI)
Portfolio Conference file

SClaessens
N:\pau\goptu\confer93\bruno2.cov

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- Use various mechanisms to limit the appreciation of the real exchange rate.
- Carefully scrutinize the intermediary through which the flow occurs--banking system or stock market.
- Try to internationalize "local" risk. Permit international investors to buy local companies, because they can bear risks specific to the domestic economy more efficiently.

33 SEP 17 PM 4:43
RECEIVED
DEVELOPMENT ECONOMICS
UNIT

8972

THE WORLD BANK/IFC/M.I.G.A.

MB
It is customary that
after a major conference
we prepare an executive
summary of findings and
circulate it widely to
senior management.
Attached is such a memo
on the Portfolio Conference

DC
9/17

ROUTING SLIP		DATE: September 17, 1993	
NAME		ROOM NO.	
D.C. Rao			
cc: Ron Brigish			
Shan Gooptu			
Ron Johannes			
☐	URGENT	☒	PER YOUR REQUEST
☐	FOR COMMENT	☐	PER OUR CONVERSATION
☐	FOR ACTION	☐	SEE MY EMAIL
☒	FOR APPROVAL/CLEARANCE	☐	FOR INFORMATION
☐	FOR SIGNATURE	☐	LET'S DISCUSS
☐	NOTE AND CIRCULATE	☐	NOTE AND RETURN
☐		☐	
RE: Portfolio Conference: Draft Summary			
REMARKS: Second revision of the summary.			
FROM: Stijn Claessens		ROOM NO.: S-8041	EXTENSION: 37212

OFFICE MEMORANDUM

Ko

DATE: September 20, 1993
TO: Distribution
FROM: Michael Bruno MB
EXTENSION: 33774
SUBJECT: Delegation of Authority

During my absence from the office September 21, Mr. Amnon Golan will act on my behalf.

Pursuant to paragraph 4 of Annex D of the Administrative Manual Statement No. 1.30, he is hereby designated to sign in the name and on behalf of the Bank/Association during that time any written instruments which I have been designated to sign.

Distribution:

Mmes./Messrs.

L. Preston
A. Karaosmanoglu
S. Sandstrom
E. Stern
I. Shihata
D. C. Rao
J. Page
A. Golan
G. Ingram
S. Yusuf
A. Ray ✓
R. Chander
L. Davis
M. Walton
R. Voight
ISC Files

OFFICE MEMORANDUM

Chron.

DATE: September 20, 1993

TO: Mr. Timothy T. Thahane

FROM: Michael Bruno *MB*

EXTENSION: 33774

SUBJECT: Outline of World Development Report 1994

I have attached an Outline of World Development Report 1994 for distribution to the Executive Directors for discussion on Wednesday, October 6, 1993. Questions on the Outline can be addressed to Mr. Gregory Ingram (ext. 31052).

Attachment

OFFICE MEMORANDUM

DATE: September 13, 1993

TO: Sven Sandstrom

FROM: Michael Bruno *MB*

EXTENSION: 33774

SUBJECT: Higher Education: Issues and Options For Reform

The paper strikes a good balance between reiterating the World Bank's message that primary and secondary education deserve the highest priority when allocating public resources, especially in countries where the access to basic education is limited or the quality of basic education is poor, and defining a role for government in higher education. It discusses the need for government to establish programs to support poor students who make it to the tertiary level. It contains a relatively rich discussion of the different options for diversifying the sources of finance of higher education, and contains messages both for public and private institutions.

I have four issues: what are the justifications for governments intervening in or subsidizing higher education? to what extent is graduate unemployment due to flaws in education policy as opposed to labor market distortions? how much of the alleged deterioration in the quality of higher education reflects public under-investment? and is it clear what the paper implies for changes in Bank policy?

First, the paper is thin on why and how there should be government intervention, especially government subsidies, in higher education at all; how very different choices for patterns of government intervention (e.g. between East Asia and Africa) have brought very different results; and how the nature of government involvement may differ by the stage of economic and educational development. There is some general discussion of external benefits, e.g. from research, but there is neither clarity on the circumstances in which subsidies are justified for research, nor on why this provides a case for generalized public support for higher education, as opposed to different forms of subsidy to the economy. There undoubtedly are good reasons for public involvement of some form (failures in the market for education finance is one), but attempting to get this straight can influence views on desirable long-term sector strategy and the design of reform in any transition.

Second, it is probably a mistake to blame graduate unemployment entirely, or even largely, on the higher education system in most countries. There is very little attention to the demand side of the skilled labor market, on how labor market interventions and civil service salary scales distort returns to higher education, and on how a poor legal framework for intellectual property can stifle research and innovation. In both our diagnosis and policy dialogue, it is important to deal with both sides of the market together.

Third, the paper describes the quality of higher education teaching and research in developing countries as having "deteriorated precipitously" and attributes this problem to (public?) under-investment in higher education. Neither of these propositions are substantiated, however, since the evidence on declining public spending per student and rising graduate unemployment could be due to other factors. Even if there were hard data on worsening grades in tertiary education, this evidence would not necessarily mean a decline in the productivity of tertiary institutions due to under-investment. Greater "democratization" in

admissions policies (i.e. less selective admissions) and declining quality of graduates from the lower levels of education would be sufficient to bring about lower grades at the tertiary level over time. This matters for policy reform, for which it is important to know how much of any apparent deterioration in quality is due to under-investment in tertiary institutions (e.g. absent teachers, poor laboratory conditions, empty libraries) and how far this should be considered a public sector spending issue.

Fourth, the paper's proposals on Bank strategy appear sensible, but it is difficult to assess whether, and how, this implies changes from the past. Also, while there are frequent reference to conditions being different in different countries, there is little structured discussion of how Bank strategy may need to have quite different characteristics for countries of differing initial maturity and public/private mix of educational institutions, and differing labor market and economy-wide features.

cc: Members of the Policy Review Committee, Choksi, Amoako, Moock (HRO)

OFFICE MEMORANDUM

DATE: September 15, 1993

TO: Distribution

FROM: Michael Bruno MB

EXTENSION: 33774

SUBJECT: FY95-97 Prospects Summaries - Guidelines

1. Attached are PBD's guidelines for the preparation of prospects summaries (one for DEC, excluding EDI, and one for EDI) for the period FY95-97. You will note that PBD suggests two scenarios: a 5% reduction in resources and a no growth scenario for Development Economics and Research and a maximum of 5% for Development Training. While we will end up with a 5% reduction as one scenario for the non EDI part of DEC, I will need to understand the costs and tradeoffs of deeper cuts and so would like each department (except EDI) to make the reduction scenario one of 10% cut for the first round. We will then review this in October. The alternative scenario should follow PBD's guidelines of zero growth for non-EDI DEC, and up to 5% for EDI.
2. DEC's summaries should be short, strategic statements of key goals for the three-year period. Of particular importance will be our goals for improved linkages with Operations, and the gains to be made through internal linkages within DEC. The summaries should not simply be a restatement of what DEC does, but should highlight three to four key objectives and themes to be pursued during the period, why they are to be pursued, and how. We should give as many examples as we can of instances where we have redeployed or are planning to redeploy resources to accommodate new initiatives during the three-year period. IEC and PRD should discuss their plans for restructuring, even though this might have to be in very general terms at this point. However, they should provide details of the issues behind the restructuring proposals.
3. EDI should give a preview of the key points to be made in its forthcoming strategic plan, providing details of plans for external funding for the three-year period.
4. Please note the interest in Portfolio Management. I believe it is worth exploring research angles on this (mainly in PRD).
5. We have not received guidelines on cross-support yet. For the time being, please assume the same as FY94.
6. I would like to receive your inputs to the summaries in the form of a one-to-two page note containing the information proposed above. Please use PBD's tables (Annexes 1-3) to present the two scenarios. Note that resources are now expressed in dollar terms rather than in staffyears.
7. Please send me your notes by Wednesday, October 6.

Distribution: Messrs. Rao, Page, ter Weele, Ingram, Ray, Yusuf

cc: Messrs/Ms. Walton, Chander, Davis, Calleja, Eltezam, Siveroni, Manna, Mataac, Angeles

THE WORLD BANK/INTERNATIONAL FINANCE CORPORATION
OFFICE MEMORANDUM

DATE: September 13, 1993

TO: Mr. Michael Bruno, DECVP

FROM: Richard Lynn, PBDDR *RL*

EXT: 30114

SUBJECT: FY95-97 Prospects Summary Guidelines

1. **Objective and Process:** As indicated by the President during the Board discussion of the *Review of World Bank Programs and FY94 Budgets* last June, the Bank's investment in staff and analytical work over the last two years should bring us to a stable plateau with which to serve our current membership. Consequently, the starting assumption of this year's planning and budgeting process is **Bankwide zero real budget growth**. Through your Prospects Summaries, you should provide Senior Management with elements to decide on the best ways to achieve this zero real budget growth objective while maintaining some degree of institutional flexibility to accommodate emerging initiatives. You should thus propose to the Office of the President your Vice Presidential Unit's (VPU) strategy for the period, including any significant changes in your unit's work program priorities, the substantive justification for such changes, and the resource redeployments which you would propose in order to help meet new needs within a resource-constrained environment.

2. This memorandum sets out the guidelines for preparation of the Prospects Summaries for Development Economics and Research and Development Training for the FY95-97 period. On the basis of all Prospects Summaries, and in consultation with the Vice Presidents, the Office of the President will make decisions on resource allocations for each administrative program over the FY95-97 period, and PBD will prepare the FY95-97 Planning Directions Paper (PDP). These decisions will be communicated to you by PBD towards the end of November. After the Committee of the Whole discussion of the PDP on January 27, 1994, PBD will issue final business planning guidelines which will include **binding resource ceilings** for the Business Plan/Budget to be submitted for each Administrative Program.

3. This year's Prospects Summary follows the precedent set in the FY94 cycle. Work program priorities for operational units should continue to reflect the Bank's broader institutional priorities of fully integrating poverty reduction objectives into country assistance strategies; increasing the development effectiveness of the Bank's activities; promoting environmentally sustainable development; and supporting policy reform and sound economic management in borrowing countries. The practice of dollar budgeting is expected to enhance the efficiency of input use. The three-year budget perspective is designed to allow management and the Board to develop a longer-term view of resource allocation issues. Outer year planning proposals, especially the proposal for FY96, will again be used as the foundation for the subsequent planning and budgeting cycle and should hence receive adequate attention in the planning process.

4. **New Features:** This year, preliminary price adjustment assumptions are provided as an input to Prospects Summary preparation, so that units can submit their

OFFICE MEMORANDUM

Chen

DATE: September 14, 1993

TO: Mr. Ruben Lamdany, EC4PE

FROM: Michael Bruno, DECVF *MB*

EXTENSION: 33774

SUBJECT: Research Committee Membership

I would like to invite you to become a member of the Research Committee for a three-year term.

This Committee meets once a month, usually on the first Tuesday of the month, to review research proposals that seek Research Support Budget funding for \$150,000 or more. Committee members serve on subcommittees which prepare a briefing note and initiate discussion of each proposal at the meetings. In addition, smaller proposals (for amounts between \$40,000 and \$150,000) are reviewed and commented upon by members serving on subcommittees, but not by the entire group.

I hope that you will be able to join the Research Committee.

cc: Wilfried Thalwitz, ECAVP and Shahid Yusuf, RAD

OFFICE MEMORANDUM

Chem

DATE: September 14, 1993

TO: Mr. Homi Kharas, LA1DR

FROM: Michael Bruno, DECVP 

EXTENSION: 33774

SUBJECT: Research Committee Membership

I would like to invite you to become a member of the Research Committee for a three-year term.

This Committee meets once a month, usually on the first Tuesday of the month, to review research proposals that seek Research Support Budget funding for \$150,000 or more. Committee members serve on subcommittees which prepare a briefing note and initiate discussion of each proposal at the meetings. In addition, smaller proposals (for amounts between \$40,000 and \$150,000) are reviewed and commented upon by members serving on subcommittees, but not by the entire group.

I hope that you will be able to join the Research Committee.

cc: S. Shahid Husain, LACVP and Shahid Yusuf, RAD

OFFICE MEMORANDUM

8947

Chron.

DATE: September 14, 1993

93 SEP 14 PM 2:56

TO: Mr. Michael Bruno

RECEIVED
DEVELOPMENT ECONOMICS
277 2nd FloorFROM: Anandarup Ray 

EXTENSION: 35100

SUBJECT: Country Strategy Work on FSU

Michael Michaely called to say that he is now available to consult with me -- an invitation I had extended a year earlier. What I had in mind at that time was an "issues" paper on reform strategies for selected FSU countries; such a paper could be written on the basis of a review of Bank and non-Bank literature. It would eventually be the basis for a day-long seminar, to which we would invite the Region as well as some outside experts (such as Schleiffer on privatization). I thought that this might be a good way of entering the thought processes of a recalcitrant region.

I spoke briefly to Mark Baird about this, and he may raise it with you. In any case, please note that Michael is now available to consult with DEC (whether DPG or PRD), but he would prefer to do most of the work in Israel.

To A.R.

This matter is decided by me
Mark Baird takes over.

H.B. 9/14

OFFICE MEMORANDUM

DATE: September 14, 1993

TO: Mr. Michael Bruno, DECVP

FROM: Shahid Yusuf, Acting Administrator, RAD

EXTENSION: 82339

SUBJECT: Annual Abstracts of Bank Research

93 SEP 14 PM 5: 01

RECEIVED
DEVELOPMENT ECONOMICS
POLICY ECONOMIST

I am attaching the Introduction to the Abstracts of Current Studies for your review and clearance. It has been newly written and is different from the spare, factual piece which introduced earlier Abstracts.

In the past, the Abstracts were distributed along with the Annual Research Report and the entire package was sent to the President under a covering memo signed by VPDEC. For the printing and distribution of the current volume you might provide the clearance and inform Mr. Karaosmanoglu of your intention to make these available prior to the Annual Report and in time for distribution at the Annual Meetings.

Attachment

To Mr. Yusuf 9/15
This is O.K. (except
for the smallness of the
print which makes my eyes
unhappy). What shall
be done next?

bbs 9/14

INTRODUCTION

This volume is a comprehensive compilation of abstracts of the World Bank's research projects in fiscal 1993. The abstracts reflect current concerns in economic and social policy from the perspective of an institution that pursues research to inform and guide the governments of its member countries and to enhance the effectiveness of its lending operations.

The Bank's research agenda is shaped by operational imperatives and the development priorities of member countries worldwide. In its research the Bank benefits from special access to data and local expertise in client countries, from its direct practical involvement in those countries, and its commitment to the solution of development problems. Its publications provide a means for disseminating research results, and its operations make effective implementation—and feedback—possible. The research program is a source of expert knowledge on development—especially on economic, technical, program, and implementation issues. It strengthens the Bank's advice and the effectiveness of its financing. It helps the Bank's clients pursue their development objectives more effectively by providing them with evidence about which development strategies work and why. And because the Bank collaborates with local researchers in its studies, much of its work helps develop research and analytical capabilities in the countries in which it works.

In fiscal 1993, because of the rapidity with which formerly planned economies are adopting market institutions, many projects addressed issues of private sector development and enterprise governance. Human resource development is receiving intensive study in the light of research on macroeconomic performance that shows the importance of education and skilled labor. And while research on determinants of poverty and economic growth continues, current Bank studies focus on a range of policies and strategies to most effectively allocate social services and public expenditures for the poor.

The responsiveness and breadth of Bank research are illustrated in two recent analyses. The first is a program of research that has spanned four years and continues, addressing economic, social, local, and political issues in transitional countries. The second is a tightly focused, cutting-edge study of the economic impact of AIDS in Africa that will conclude in fiscal 1994. Both are yielding results of considerable operational significance.

How Bank Research Responds to Emerging Concerns

Reform in the former Soviet Union. Research on the new states of the former Soviet Union emerged as part of the process of bringing these states into the Bank. Economists had a reasonable understanding of how the centrally planned economic system worked, but nobody could accurately predict the course transition would follow as the centrally planned system of the Soviet Union was dismantled, decisionmaking became increasingly decentralized, and the new states began moving toward a market economy.

The first major Bank research exercise to understand the nature and dynamics of these transitional economies was part of a major collaborative effort with the IMF, the OECD, and the newly created EBRD undertaken at the request of the G-7 leaders and in consultation with Soviet authorities. The results were published in 1991 as the three-volume *A Study of the Soviet Economy*. As part of that effort, the Bank managed two task forces. One was responsible for analyzing issues of systemic reform (price reform, enterprise reform and privatization, reform of the financial sector, and the legal framework for a market economy). The second task force concentrated on manufacturing, agriculture, and housing. This exercise was the start of a broad-ranging research program aimed at understanding the turbulent process of change and the spectrum of development initiatives being explored in the new independent states and Eastern Europe.

Although changes in Eastern Europe are, in some ways, forerunners of change in the former Soviet Union, central planning in the Soviet Union took root over some 70 years and that longevity has made it harder for the new independent states to devise and assimilate market-based institutions. As lending and economic work programs are defined, research staff are asked to look at the pace and extent of reform, the impediments to private sector assumption of formerly government activities, and the sequence and prospects for successful stabilization and economic growth.

One strand of the Bank's research is attempting to learn how rapidly the private sector is growing in the new independent states and to identify factors that inhibit its growth and those that support it. A start was made in a research project on the private manufacturing sector in St. Petersburg. This initiative has been extended

by a second project, which is surveying St. Petersburg's expanding private service sector. The vital role of distribution in the development of Russia's markets is being explored by a project surveying larger Russian enterprises, with an emphasis on interenterprise trading patterns. The idea is to answer some basic questions: How are firms pricing their products, and the distribution system its services? Why are goods in state shops still on sale at prices much lower than similar goods in private markets? Why are there continuing shortages in state shops when, in theory, prices have been liberalized? In still another project—a study of corporate governance in Eastern Europe with a component on Russia—the focus is on the structure and implications of ownership in the formerly socialist economies: How are businesses in Eastern Europe owned, managed, and run? What role do financial intermediaries, such as pension and mutual funds, play in the governance of firms? Ownership and governance arrangements in these countries are in a state of transition and will be shaped by, among other things, the legal and regulatory environment and the process of privatization.

One method used in research is comparative analysis—to draw lessons across countries, to see how developments in one country apply in others. The Baltics, for example, were the first countries in the former Soviet Union to effect macroeconomic stabilization. The consequences of stabilization are of significance not only for the Baltics but for other countries that are now introducing their own currencies and need to stabilize their economies. Thus, two studies are planned, one on the transition and fiscal balance, and the other a comparative review of monetary institutions and policies and the transition. Such work, which has a strong operational orientation, draws fruitfully on the results of research in other regions, where appropriate. It is helpful, for example, to examine the dynamics of the inflationary process using the experience of Latin America as a backdrop, as it can highlight the risk of economies in transition moving to hyperinflation. Yet another area of comparative work concerns enterprise arrears, which have emerged as a serious problem in many transitional countries and which contribute to macroeconomic instability.

The economic impact of AIDS in Africa. While the transition to market policies is concentrated in Eastern Europe and the former Soviet Union, every country is now facing an equally new, volatile, and far more ominous change: the accelerating spread of the human immunodeficiency virus (HIV). Its toll is devastating wherever it strikes, but nowhere more so than in Africa. More than 7 million African adults have already been infected with HIV, and more than 1.2 million have died from acquired immunodeficiency syndrome (AIDS), the longer-term fatal complex of diseases that HIV generates. In some

African countries one person in eight is infected, and in certain urban areas as many as a third of all adults are infected. The AIDS epidemic has profound consequences for African development prospects because AIDS is striking primarily adults in the most economically active and skilled age group, 15-50. After HIV infection, it may take an average of 8 to 10 years before the onset of full-blown AIDS, which is always fatal. This long incubation period means that even if the spread of the epidemic were halted now, many millions of Africans from the pool of those already infected will die over the next two decades unless a cure is found.

Little is known about the economic impact of the AIDS epidemic to date: most research has focused on preventive strategies or searches for a cure. Demographic models suggest that mortality from AIDS will reduce the growth of the African population. It is likely that the deaths of skilled workers will slow the growth in per capita income and create new pockets of poverty. But there is scant empirical evidence with which to address key issues that the epidemic raises for the Bank's lending operations and for the policies of member governments. Most African economies experienced negative growth through the 1980s. How badly will the AIDS epidemic set them back or inhibit their recovery? What will be the financial and displacement effects of increased demand for medical care? What will be the prospects for the orphans and elderly survivors left with minimal means of support? Should households affected by AIDS be selected as a group for interventions?

To begin to answer some of these questions, researchers from the World Bank and the University of Dar es Salaam are conducting a major study to measure the impact of fatal adult illness on individuals, households, and communities and to identify cost-effective strategies for helping survivors. Studies measuring the impact of ill health typically add the direct costs (medical care, transport, and so on) and indirect costs (earnings lost during illness or because of death). The World Bank/University of Dar es Salaam study addresses these costs and a much broader set of questions. What happens to surviving household members if land and productive assets are sold to pay for medical treatment? What happens to long-run prospects for children when they are pulled out of school to take care of sick people? How does the death of an adult affect the nutrition of children left behind? Are the effects of the deaths different for surviving women than men, for children than adults, for girls than boys? The study is conducting a survey measuring the effect of illnesses and deaths on household income, spending, nutrition, schooling, and other measures of well-being. Information is also being collected on community health and schooling services, market prices, and infrastructure.

Fieldwork began in the fall of 1991 in a northwestern region of Tanzania where about one of four urban adults and as many as one of ten rural adults are infected with HIV. Roughly 800 households are being interviewed, 700 from among those thought to have a high risk of adult death and 100 from among a group of "healthy" households.

The AIDS survey—which is cofinanced by the World Bank's Research Support Budget, USAID, and DANIDA—builds on the Bank's extensive experience with household surveys through the Living Standards Survey program and on the knowledge acquired from a microeconomic analysis of human resource issues in developing countries. The Bank is well positioned to examine from the economic perspective a problem most organizations are viewing from the much narrower perspective of health and human services.

Research Funding and Administration

In fiscal 1993 more than 250 research projects of widely varying size on a wide variety of topics were being conducted in units throughout the Bank. Half of this research was initiated by departments, which drew on their own resources (mainly staff time). Roughly 41 percent of research was financed by a central Bank fund, the Research Support Budget (RSB), which sponsors research throughout the Bank and the International Finance Corporation. Funding for the remaining 9 percent of the research program came from outside agencies, as support for Bank-managed research usually cofinanced by the Bank.

Research activities funded only from department resources are identified and developed as components of departmental work programs designed by department directors and reviewed at the vice presidential level. In fiscal 1993 most departmental research originated in the Development Economics Vice Presidency.

Staff in any department can prepare research proposals and apply for additional RSB support. Proposals for RSB funding are reviewed by the Research Advisory Staff. Larger initiatives are evaluated by internal and external peer reviewers and considered by the Research Committee, which is chaired by the Bank's Chief Econo-

mist and Vice President, Development Economics, with members drawn from throughout the Bank.

The Research Support Budget also supports activities that bring new ideas in development economics into the Bank, and activities that increase international understanding of the development process—notably through the annual Bank Conference on Development Economics, the Visiting Research Fellows Program, the Bank's research journals, and other research dissemination. The RSB provides direct support to economic and research networks in Sub-Saharan Africa, Latin America, and the Middle East, as part of its effort to support and enhance indigenous policy research and analytical capabilities in the Bank's client countries.

What's Here

This volume contains abstracts of Bank research projects that were ongoing or completed in fiscal 1993 (July 1992 through June 1993).

Abstracts are grouped by program objectives that represent priorities in Bank research. Chief among these are poverty reduction, the environment, human resource development, private sector development, and public sector management.

Abstracts describe each project's objectives, method, and findings, identify the research team, and list associated reports and publications and the project's completion date. Abstracts identified by a five-digit reference number are for research projects that have been reviewed by the Bank's Research Committee and have received support from the Research Support Budget.

Publications and papers produced in conjunction with the research are listed in the appendix. Copies of Bank publications (categories A, E, and F) can be purchased or ordered from the Bank's bookstore or distributors (see list on last page of this volume). Copies of working papers and background papers (categories G-I) can be obtained from the authors or the associated Bank departments. Reprints of articles from the Bank's research journals (category C) may be requested from the authors; other published material can be purchased from the publishers (categories B and D).

OFFICE MEMORANDUM

DATE: September 13, 1993
TO: Mr. Gobind Nankani, SASVP
FROM: Michael Bruno MB
EXTENSION: 33774
SUBJECT: Invitation to Chair a Session: October 13th

Thank you for your invitation to Chair a session of the Workshop on "Poverty Reduction in SA: Promoting Participation of the Poor" on October 13th. I would very much like to be able to participate but unfortunately my previous commitments do not allow me to do so. I would be most interested to see the conclusions of the workshop in due course.

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: September 10, 1993 02:40pm

TO: Michael Bruno

(MICHAEL BRUNO)

FROM: Gobind T. Nankani, SASVP

(GOBIND T. NANKANI)

EXT.: 84641

SUBJECT: Invitation to Chair a Session at the Forthcoming Workshop on
"Poverty Reduction in SA: Promoting Participation of the Poor"

The South Asia Region is working in collaboration with the South Asian Commission on Regional Cooperation (SAARC) to organize an informal workshop to discuss poverty reduction in the South Asian region, with special reference to increasing the participation of the poor in the design and implementation of poverty reduction strategies. One of the key factors motivating us to organize the workshop is a recent report entitled "Meeting the Challenge", prepared by the Independent South Asian Commission on Poverty Alleviation (ISACPA), a group set up following the 1991 SAARC Summit in Colombo. We have copies of the report available in my office.

The topics proposed to be covered in the workshop include an overview of recent work on poverty reduction by international and inter-governmental organizations (i.e. the World Bank, SAARC, UNDP, ADB, UNICEF, IFAD, and IMF), key elements of successful community-based programs, strategies for scaling up programs and overcoming constraints to broader participation, and a discussion of the respective roles of governments, NGOs, and the donor community. A summary Fact Sheet and draft Workshop Agenda have been sent under separate cover. I would welcome your comments on the draft Agenda.

As currently planned, the workshop will be held from October 12th (evening) through midday October 15th at one of the historic inns in Annapolis, Maryland. An estimated 25-30 persons will be invited to attend, representing the SAARC Secretariat, ISACPA, several South Asian NGOs, academic and research institutes, Bank staff, and a number of international organizations.

I would like to extend to you an invitation to participate in the workshop, and to chair the first session: Taking Stock of Broad Poverty Reduction Strategies, which is currently scheduled for the morning of Wednesday, October 13th. The session will include brief presentations by a number of international organizations (i.e. the Bank, SAARC, UNDP, ADB, IFAD, and IMF) summarizing recent reports that have examined the extent and causes of poverty and assessed strategies for poverty reduction. I would be delighted if you could chair this session.

I shall be calling you early next week to ascertain whether you can chair the above session at the workshop. I would be pleased to discuss your role and overall plans for the workshop further, and look forward to seeing

9/10
You leave for Tunis
6:40 that day.
Will you do this?
Yes
No
please apologize MB
THANKS
JC

you in Annapolis in October.

CC: Valerie Kozel
CC: Barbara Parker
CC: Toni Thomas

(VALERIE KOZEL)
(BARBARA PARKER)
(TONI THOMAS)

FACT SHEET

SOUTH ASIA POVERTY WORKSHOP

GOAL	To initiate a dialogue on a regional strategy for poverty reduction between the World Bank and the South Asia region that will complement existing country-level initiatives and benefit from the experience of other donors and SAARC's recent report on poverty; also, to extend and deepen the Region's poverty reduction strategy in order to develop an agenda for future actions, policies, and research and increase the participation of the poor in the design and implementation of poverty reduction efforts.	
PARTICIPANTS	A Representative from the SAARC Secretariat Former Members of the Independent South Asian Commission on Poverty Alleviation Representatives from the World Bank Academic Resource Persons/Researchers with Expertise in Social and Economic Analysis of Poverty Members of the International Donor Community Representatives of NGOs Involved in Poverty Reduction Activities	
OUTPUT	A report summarizing the proceedings, points of agreement, and recommended policy and research agenda.	
TOPICS	Taking Stock of Recent Direct and Indirect Strategies for Poverty Reduction and Community Participation Key Elements of Successful Community-Based Programs Overcoming Constraints to Broader Participation Replicating and Scaling Up Successful Programs Roles of Governments and NGOs in Poverty Reduction and Participatory Programs Role of Donors in Supporting Participatory Approaches The Emerging World Bank Regional Strategy	
SCHEDULE	October 12:	Arrive at Historic Inns of Annapolis, MD Cocktail Reception - Dinner Speaker
	October 13:	Taking Stock of Recent Approaches to Poverty Reduction Assessment of World Bank Experience International Case Studies: Participatory Development Through Community-based Programs
	October 14:	Lessons from South Asian Experiences South Asian Case Studies: Participatory Development Through Community-based Programs Perspectives from World Bank South Asian Country Departments Working Dinner - Summary and Discussion
	October 15:	Plenary Session: Consensus and Research Agenda
LOCATION	Historic Inns, Annapolis, MD USA	
CONTACT	Barbara Parker or Toni Thomas, SASVP, (202) 458-0801	

DETAILED AGENDA

SOUTH ASIA POVERTY WORKSHOP

Tuesday, October 12:

Arrival of Participants

Cocktail Reception

Dinner Speaker: To Be Determined

Wednesday, October 13:

Session I: Taking Stock of Recent Approaches to Poverty Reduction

Recent reports from international and inter-governmental organizations, including SAARC, that have examined the extent and causes of poverty and assessed strategies for poverty reduction, will be summarized.

Session II: Assessment of World Bank Experience

Lessons learned from the results of poverty reduction efforts supported by the World Bank will be assessed for insights into the value and appropriate use of both the community-based and shared growth development strategies.

Session III: Lessons from South Asian Experiences

The appropriate role of governments in poverty alleviation, productive relationships between government and NGOs, and pro-poor planning will be discussed with reference to experience in planning and implementing poverty reduction programs in the South Asia Region.

Thursday, October 14:

Sessions IV and V: Case Studies: Participatory Development Through Community-Based Programs

Findings from successful community-based projects carried out by non-governmental and governmental organizations will be presented and discussed, with particular focus on India, Pakistan, Nepal, Bangladesh and Sri Lanka.

Session VI: Country Perspectives

The perspective of the World Bank South Asia Country Departments on country-level strategies for poverty reduction will be briefly summarized, and policy issues for the 1990's will be outlined by the Vice President, South Asia Region.

Working Dinner: Informal Summaries, Reflections and
Comments

Friday, October 15:

Session VII: What Are the Points of Consensus and Unresolved Issues

Working Groups will be convened to identify successful strategies for poverty reduction, summarize points of consensus that have emerged during the workshop, discuss methods of building capacity for participatory poverty reduction, and propose issues for further research.

Plenary: Poverty Policies and Programs: Points of Consensus and
Areas for Further Research and Analysis

ROUTING SLIP		DATE: September 9, 1993	
NAME		ROOM NO.	
Andrew Steer		S -5-049	
	URGENT		PER YOUR REQUEST
	FOR COMMENT		PER OUR CONVERSATION
	FOR ACTION		SEE MY EMAIL
	FOR APPROVAL/CLEARANCE		FOR INFORMATION
	FOR SIGNATURE		LET'S DISCUSS
	NOTE AND CIRCULATE		NOTE AND RETURN
RE: Andreas Papandreou			
REMARKS:			
Andrew: Any interest? If so, will send book chapter later. Thanks. Michael Bruno			

file 977

Copies of book chapter sent out to Steer + Wheeler

Kate, Sep 5, 1993

please send 1 copy to Andrew Steer and 1 copy to PRD/Environment to ask whether any is interest - the papers that he mentions will come with my air freight stuff. MB

ROOM NO.:	EXTENSION:
9-035	33774

Mila, pls. follow-up with Steen & Wheeler & let me know
th
Kate 9/20

David Wheeler		S - 5-135	
	URGENT		PER YOUR REQUEST
	FOR COMMENT		PER OUR CONVERSATION
	FOR ACTION		SEE MY EMAIL
	FOR APPROVAL/CLEARANCE		FOR INFORMATION
	FOR SIGNATURE		LET'S DISCUSS
	NOTE AND CIRCULATE		NOTE AND RETURN
RE: Andreas Papandreou			
REMARKS:			
David: Any interest? If so, will send book chapter later. Thanks. Michael Bruno			
FROM: Michael Bruno, VP DEC		ROOM NO.: S9-035	EXTENSION: 33774

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SEI STOCKHOLM ENVIRONMENT INSTITUTE

International Institute for Environmental Technology and Management

Director:
M.J. Chadwick

August 12, 1993

Prof. M. Bruno
Faculty of Social Sciences
The Hebrew University of Jerusalem
Mount Scopus
Jerusalem 91905

Dear Prof. Bruno:

Thank you for your letter of July 18. I just returned from a summer vacation on the island of Patmos (Greece), and I am slowly getting back into the rhythm of work.

I wish you a good time at your new post. It was very nice of you to offer me assistance in finding out about potential work at the World Bank. I am indeed interested in exploring opportunities both at the operational level in the Vice-Presidency for Environmentally Sustainable Development, and at the research level within your own Vice-Presidency.

I enclose again my CV, two papers, and a chapter of my book.

Thanks again,

Yours sincerely,



Andreas Papandreou

Stockholm Environment Institute

Järntorget 84, Box 2142
S-103 14 Stockholm
Sweden
Tel +46 8 723 02 60
Telex 19580 SEI S

Stockholm Environment Institute-Boston
89 Broad Street
Boston, MA 02110
USA
Tel +1 617 452 2200

Stockholm Environment Institute at York
University of York
Heslington, York YO1 5DD
UK

OFFICE MEMORANDUM

DATE: September 9, 1993

TO: Mr. Michael Bruno, Vice President, DECVP

FROM: Mr. Alan Gelb, Acting Director, PRDDR

EXTENSION: 33800

SUBJECT: USAID Trust Fund for Survey Component of RPO67699

WB
A. Gelb

1. The U.S. Government has agreed to collaborate on the Survey Component of the research project, *"Enterprise Behavior and Economic Reform: A Comparative Study in Central and Eastern Europe."* This trust fund has been established to disburse their contribution.
2. Attached please find an Initiating Brief for a Trust Fund (IBTF). The IBTF has been cleared as required by the Trust Fund Administrator (CTRFA), the Legal Department (LESEC), and the External Funding Coordinator (DECVP) in May of this year.
3. May we please have your approval on the attached IBTF, so that we can finalize the distribution of the committed funds.

Attachments

Initiating Brief on a Trust Fund (IBTF)

Submitting Department/Division: PRDTM

Task Manager: Inderjit Singh

Project Code: 7ESURF002

Beneficiary Country: Poland, Hungary, and the Czech Republic

Donor/Agency: U.S. Agency for International Development

Estimated Amount and Currency: US\$ 130,000

Duration: May 1993 to May 1995

Trust Fund Category: A

Co-financing Operation: No

Project Implementation:

The World Bank will be the executing agency of this trust fund. Specific responsibilities will be maintained by the Transition and Macro-Adjustment Division of the Policy Research Department (PRDTM). This grant will support a major component of the ongoing research program on *Enterprise Behavior and Economic Reform: A Comparative Study in Central and Eastern Europe* funded by the Japanese Grant Facility and The World Bank Research Committee. Specifically, the surveys of approximately 300 representative enterprises in Poland, Hungary and the Czech Republic to obtain specific performance data.

Dr. Marek Belka (see attached c.v.) from the University of Łódź; Dr. Adam Török (see attached c.v.) from the Research Institute for Industrial Economics have already agreed to conduct the surveys in Poland and Hungary, respectively.

Trust Fund Objectives:

The purpose of this trust fund is to partially support the survey component of the above named research project. The surveys will obtain enterprise-specific data on key variables such as sales, costs, profitability, production, employment, foreign trade and financial viability -- including taxes and profitability. Sampling will be stratified and

range across sectors, enterprise size and ownership -- including state-owned, privatized and new private firms. Data will assist US AID and the Bank in formulating innovative approaches to sustainable assistance to the industrial sector in the region.

List of Goods and Services:

The list of goods and services to be partially financed by this trust fund are:

<u>GOODS/SERVICES</u>	<u>FINANCED BY US AID</u>
Data Collection/Survey Costs	\$ 77,000
Travel, Subsistence & Consultant Fees for Analysis	\$ 40,000
Overhead	<u>\$ 13,000</u>
	\$130,000

Procedures for Procurement of Goods/Engagement of Consultants:

Procurement of goods and/or engagement of consultant services will be in accordance with the Bank's guidelines.

Rationale for Bank Involvement:

The aftermath of the collapse of communism in CEE left the countries in the region with a commitment to move rapidly toward open markets and open societies. As this movement is initiated and continued, monitoring the impacts and responses to new policies and systemic reforms becomes extremely important. These impacts are difficult to assess using macro-economic data. However, enterprise specific information about past-performance along with present responses to economic reforms is woefully inadequate.

This grant will provide partial compensation for the professional services necessary to perform the surveys of representative enterprises in Poland, Hungary and the Czech Republic. The information will be added to the material already obtained during the first phase of the on going research program on enterprise behavior, mentioned above. This research program is a four year assessment of the region's reactions, success and failures during this most crucial time of transition. Its major objectives are to:

- follow the progress of economic reform in each country by monitoring industrial performance at the firm level;
- undertake analytical studies to learn how enterprises respond during the transition to market economies and to measure the impact of reform on enterprise behavior and performance;
- provide, through analytical work and timely papers on key policy issues,

sound advice for central and east European (CEE) policy makers; and
· to strengthen the analytical and policy making capacities of key CEE research institutions and governmental agencies.

Benefits and Risks:

This trust fund would provide a formal administrative structure for the Bank and US AID for future collaborative efforts. Specifically, joint efforts on the survey component will provide both the Bank and US AID with important enterprise-level data for the purpose of tracking the performance of representative enterprises in response to policy/reform assistance. Further, such information will be useful in helping to design and implementing future project assistance in the region in the areas of privatization as well as sectoral adjustments. More specifically, the data may be applied to provide information to decide on guidelines for determining alternatives for privatization (i.e. liquidation versus additional capitalization for restructuring) as well as identifying potential target sub-sectors to be focussed on for privatization.

Administration:

Incremental costs to the division in managing this trust fund are estimated to be about 7 staff weeks, including consultant and research assistance. Since this grant will form a part of a larger, on going research project, staff time have been allocated as part of the respective project preparation budgets.

Cost Recovery Arrangement:

In order to assist in the defrayment of the cost of administration and other expenses, the Bank will deduct the amount of \$13,000 (10 percent) from the grant.

External Audit Requirement:

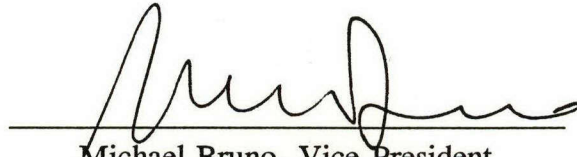
Since the trust fund is less than \$250,000, no external audit is required. (See OD 14.40, 28 (b))

Other Reporting Requirements:

In accordance with US AID grant procedures, the following products will be provided as indicated.

- Analytical reports and issues papers as they are produced for each country based on both the existing firm level and survey data as it becomes available;
- country overview reports from the case studies in each country, annually;
- and
- quarterly mandated financial statement will be provided to the donor.

APPROVED BY:

A handwritten signature in black ink, appearing to read 'Michael Bruno', is written over a horizontal line.

Michael Bruno, Vice President
Development Economics and Chief Economist

CLEARED BY:

Herbert Langer, Trust Fund Administrator, Trust Fund Administration
Thomas Duvall, Lawyer, Legal Department
Carolle Carr, External Funding Coordinator,
Office of the Vice President of Development Economics

OFFICE MEMORANDUM

Kafe

Chron

DATE: September 9, 1993
TO: Distribution
FROM: M. Bruno, Vice President, DEC
EXTENSION: 33774
SUBJECT: Delegation of Authority

AB

During my absence from the office next Thursday and Friday, September 16 and 17, Mr. D. C. Rao will act on my behalf.

Pursuant to paragraph 4 of Annex D of the Administrative Manual Statement No. 1.30, he is hereby designated to sign in the name and on behalf of the Bank/Association during that time any written instruments which I have been designated to sign.

Distribution:

Mmes./Messrs.

L. Preston
A. Karaosmanoglu
S. Sandstrom
E. Stern
I. Shihata
D. C. Rao
J. Page
A. Golan
G. Ingram
S. Yusuf
A. Ray
R. Chander
L. Davis
M. Walton
R. Voight
ISC Files

THE WORLD BANK/IFC/M.I.G.A.

ROUTING SLIP		DATE: September 10, 1993	
NAME		ROOM NO.	
Michael Walton		S-9-029	
Miguel Kiguel		N11-059	
Chris Jones		N11-067	
	URGENT		PER YOUR REQUEST
	FOR COMMENT		PER OUR CONVERSATION
	FOR ACTION		SEE MY EMAIL
	FOR APPROVAL/CLEARANCE		FOR INFORMATION
	FOR SIGNATURE		LET'S DISCUSS
	NOTE AND CIRCULATE		NOTE AND RETURN
RE: Attached			
REMARKS:			
FROM: Michael Bruno, VP DEC		ROOM NO.: S9-035	EXTENSION: 33774

9/9/93

To: Michael

From: Maggie

I scanned the Overview. Hope the cryptic marginal comments are clear. There are several out-and-out errors (mostly = typos) and some rather clumsy phrases. Doing a more thorough job requires (a) more time, and (b) double-spaced copy.

What bothers me most is form rather than content. I take it there's nothing to be done about that, as form seems to have been dictated by Bank regulations. I made a list of pet peeves, just in case.

MASTER COPY

Policy Research Report Number 2

EXC comments

marked up

DISCUSSION DRAFT

Not for Citation

**Adjustment in Africa:
Reform, Results, and the Road Ahead**

Policy Research Department
• The World Bank

August 2, 1993

OFFICE MEMORANDUM

DATE: September 2, 1993

TO: Mr. A. Karaosmanoglu, EXC

FROM: Michael Bruno *mb*

EXTENSION: 33774

SUBJECT: FY94 Per Capita Income Guidelines for Operational Purposes

Attached for your clearance is a draft memorandum to the Executive Directors updating the per capita income guidelines for FY94. The Regional Vice Presidents have reviewed and cleared it.

Attachment

Mr. A. Karaosmanoglu, EXC - 2 -

September 2, 1993

cc: Messrs. Rao (IECDR); Blazic-Metzner (IECSE); Regional Vice Presidents

JPark:ez

(n:\iecse\park\opguide)

File (P:Operational Guidelines)

SecM93-

FROM: The President

August __, 1993

Per Capita Income Guidelines for Operational Purposes*

Since 1983, the per capita GNP guidelines covering the Civil Works Preference, IDA Eligibility, IBRD Terms (grace period and fixed maturities) and the initiation of the IBRD graduation process have been updated every year, based on the annual rate of change of the SDR deflator [see, President's Memorandum to the Executive Directors dated September 27, 1983 (SecM83-924)].

The updated operational guidelines to be applied during FY94 are as follows:

<u>Guidelines</u>	<u>FY94 Guidelines (1992 US\$)</u>
Civil Works Preference	675
IDA Eligibility and 20-Year IBRD Terms	1,305
17-Year IBRD Terms	2,695 ¹
IBRD Graduation	4,715

Per capita GNP data (Attachment 1) for borrowing member countries have been prepared in accordance with the procedures described in SecM83-1120, SecM89-73 and SecM93-589.

Distribution:

Executive Directors and Alternates
Office of the President
Executive Vice Presidents, IFC and MIGA
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads,
Bank, IFC and MIGA

* Questions on this document
should be referred to
Mr. Boris Blazic-Metzner
(Ext. 33806)

¹ Countries with per capita GNP exceeding this amount are subject to 15-year IBRD terms.

Cham

[illegible]

8894

THE WORLD BANK/IFC/MIGA

OFFICE MEMORANDUM

DATE: August 23, 1993
TO: Mr. D. C. Rao
FROM: R. Chander
EXTENSION: 31314
SUBJECT: SNA - Signatures to Foreword

93 AUG 23 PM 5:13
RECEIVED
DEVELOPMENT ECONOMICS
TECHNOLOGY UNIT

Attached please see Fax from Bill Seltzer that is self-explanatory. Unless you have an objection, I shall reply to Bill by saying that Mr. Preston will join the other heads in signing. Please advise. Thanks.

AK/
May I have your
approval please?

Del
8/24

SENT BY:

8-23-93 ; 13:53 ;

UNSTAT-UNHONY-

202 477 0549:# 1/ 2

UNITED NATIONS



NATIONS UNIES

TELEGRAPH

For use of Cable Operations Unit only / Réserve au Groupe de la correspondance télégraphique

PAGE 1 OF 2

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DATE: 23 August 1993

ALLOTMENT / COMPTE

FILE / DOSSIER

DRAFTER / REDACTEUR

DEPT.

ROOM / BUREAU

EXT. / PORT

W. Seltzer/sr

DESIPA/STAT

DC2-1420

3-4996

UN GLOBAL

12 PITCH - 65/12

10 PITCH - 65/10

Fax No. 202 477-0549
Mr. Ramesh Chander
Statistical Adviser
Office of the Vice President
Development Economics
The World Bank
Washington, DC 20433

Fax No. 202 623-4661
Mr. John B. McLenaghan, Director
Bureau of Statistics
International Monetary Fund
Washington DC 20431

Fax No. (33-1) 45-24-1713
Mr. C. L. Kincannon
Chief Statistician and Director
of Statistics Directorate
OECD
75775 Paris (Cedex 16), France

Fax No. (352) 4301-33015
Mr. Yves Franchet
Director General
Statistics Office
EUROSTAT
Luxembourg

Please see the attached letter.

William Seltzer
Director
Statistical Division

LAST LINE
OF TEXT /
DERNIERE
LIGNE DU
TEXTF

DO NOT TYPE
BEYOND THE
MARGINS -
SEE
INSTRUCTIONS
ON THE
REVERSE
SIDE
N'INSCRIVEZ
RIEN DANS
LES MARGES -
VOYEZ LES
INSTRUCTIONS
AU VERSO

////

Cleared by / VISE PAR

AUTHORIZED BY / AUTHORIZED PAR

SIGNATURE:

DATE:

William Seltzer, Director, Statistical Division
NAME AND TITLE (PLAIN TYPE) / NOM ET QUALITE (A DACTYLOGRAPHIER)

COM 7 11-897

UNITED NATIONS NATIONS UNIES

POSTAL ADDRESS—ADRESSE POSTALE: UNITED NATIONS, N.Y. 10017
CABLE ADDRESS—ADRESSE TELEGRAPHIQUE: UNATIONS NEWYORK

REFERENCE:

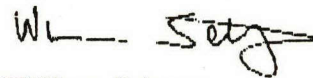
23 August 1993

Dear Colleague

With reference to the Heads of Organization statement for the 1993 SNA, I have just been informed by the Executive Office of the Secretary-General that the Secretary-General of the United Nations is prepared to sign the statement on the understanding that the heads of the other organizations also sign. However, should the head of any other organization delegate this matter to someone else, the Secretary-General would not be prepared to sign.

Since this decision is fully consistent with the agreement of the ISWGNA, I would appreciate receiving the formal concurrences of each agency that the Head of each other Organization is also prepared to sign this statement.

Sincerely yours,



William Seltzer
Director
Statistical Division

THE WORLD BANK/IFC/M.I.G.A.

ROUTING SLIP		DATE: Aug. 20, 1993	
NAME		ROOM NO.	
Mr. Michael Bruno (o/a)			
Mr. Amnon Golan		M-7-021	
Mr. Greg Ingram		T-7-101	
Mr. Shahid Yusuf		T-3-033	
Mr. Anandarup Ray		S-9-055	
Mr. John Page		N-11-053	
Mr. Ramesh Chander			
Mr. Michael Walton		I	
☐	URGENT	☐	PER YOUR REQUEST
☐	FOR COMMENT	☐	PER OUR CONVERSATION
☐	FOR ACTION	☐	SEE MY EMAIL
☐	FOR APPROVAL/CLEARANCE	☐	FOR INFORMATION
☐	FOR SIGNATURE	☐	LET'S DISCUSS
☐	NOTE AND CIRCULATE	☐	NOTE AND RETURN
☐		☐	
RE: attached			
REMARKS: For your information. D.C. Rao			
FROM: D.C. Rao, Acting VP, DEC		ROOM NO.: S-9035	EXTENSION: 33774

OFFICE MEMORANDUM

8892

cc Dec 5 M's

MB(012)

Del

8/20

93 AUG 20 PM 2: 22

RECEIVED
DEVELOPMENT ECONOMICS
FOR THE SECRETARY

DATE: August 18, 1993

TO: See Distribution below

FROM: Ismail Serageldin, ESDVP

EXTENSION: 3-4502

SUBJECT: First International Conference on Environmentally Sustainable Development

1. As you may know, we are holding a major international conference on Environmentally Sustainable Development (ESD) on September 30, and October 1, 1993 here in Washington, D.C. The theme of the conference is "Valuing the Environment," with sessions focused on Environmental Accounting, Water Resources Management, and a Follow-up on the Rio Earth Summit.
2. This First Annual ESD conference, which is expected to attract significant international attention, has been organized to take advantage of the presence of all the governors and ministers at the Annual Meetings.
3. You are cordially invited to attend the conference and I hope that some of your senior staff will be able to attend.
4. This invitation has been included in the annual meeting package. However, we would be most appreciative if you and your staff could kindly bring the conference to the attention of the delegations. A provisional agenda is enclosed for your information. Thank you.

Enclosure

Distribution:

Messrs. E.V.K. Jaycox, K. Kashiwaya, S.D. Eccles, G.S. Kaji, W.P. Thalwitz, J. Rischard, J.F. Linn, A.M. Choksi, I.F.I. Shihata, S.S. Husain, C.K. Koch-Weser, R. Picciotto, B.H. Alisbah, T.T. Thahane, V. Rajagopalan, D.J. Wood, D.C. Rao, W.Kaffenberger, J. Kassum
Mme. J.P. Einhorn

cc: Messrs. M. El-Ashry, L. Pouliquen, M. Petit, P. Landell-Mills, R. Barrett
Mme. J. Pratt

VALUING THE ENVIRONMENT
FIRST ANNUAL INTERNATIONAL CONFERENCE ON
ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT

September 30 and October 1, 1993
H Auditorium, 600-19th Street, N.W.
The World Bank, Washington, D.C.

TENTATIVE AGENDA

Thursday, September 30

2:30PM ***I. After Rio***

Chair: Sven Sandstrom, Managing Director, The World Bank

The United Nations View - Nitin Desai, Under-Secretary General, Policy Coordination and Sustainable Development, United Nations

2:45PM The World Bank View - Ismail Serageldin, Vice-President, Environmentally Sustainable Development, The World Bank

3:15PM The Global Challenge - Jacques-Yves Cousteau, Cousteau Foundation, France

3:45PM Coffee

4PM ***II. From Concepts to Policy: How Valuable Is the Environment?***

Chair: Ismail Serageldin

Where We Want to Go and the Obstacles to Getting There - Partha Dasgupta, Professor of Economics, Cambridge and Stanford Universities

Current Efforts and Next Steps - David Pearce, Director, Centre for Social and Economic Research on the Global Environment, University College, London

Discussants:

- Dhira Phantumvanit, President, Thailand Environment Institute
- Anne Harrison, Organisation for Economic Co-operation and Development
- Robert C. Repetto, Vice President and Chief Economist, World Resources Institute
- Andrew Steer, Deputy Director, Environment Department, World Bank

5:30 Break

6PM Introduction of Albert Gore, Jr., * Vice President, United States of America by Lewis T. Preston, President, The World Bank
Address by Vice President Gore*
Reception
Toast and Thank You - Lewis Preston

*Invited

Friday, October 1

9AM III. From Policy to Practice: The Case of Water Resources Management

Chair: Emil Salim, Former Minister of Environment, Indonesia; Member, Brundtland Commission

The World Bank Water Resources Management Policy - Michel J. Petit, Director, Agriculture and Natural Resources Department, The World Bank

9:15AM The French Experience - Yvan Cheret, France

Discussants: Does It Apply to Poland? - Janusz Kindler, Water Resource Planning Specialist, Middle East and North Africa Technical Department, World Bank

Does It Apply to Brazil? - Roberto Messias Franco, President, Fundacao Estadual do Meio Ambiente

10:45AM Coffee

Chair: Keith Bezanson, International Development Research Centre

11:15AM The Pakistan Experience - Shams ul Mulk, Member, Pakistan Water and Power Development Authority

Discussants: Egypt - Mahmoud Abu-Zeid, Chairman, Water Research Center, Cairo

Mexico - Fernando J. Gonzalez Villarreal, Director General, Comision Nacional del Agua, Mexico City

12:45PM Round-up: David Kinnersley, Former Adviser to the Secretary of State for Environment, United Kingdom

12:55PM Special Guest Speaker: Wangari Maathai, Founder/ Coordinator, Green Belt Movement

1:15PM Lunch Break

2:45PM IV. Round Table: New Approaches

Chair: Mohamed T. El-Ashry, Director, Environment Department, World Bank

Speakers:

- Elizabeth Dowdeswell, Under-Secretary-General, United Nations/Executive Director, United Nations Environment Programme
- James Speth, Administrator, United Nations Development Programme

Discussants:

- Saad Ibrahim, Professor of Sociology, American University in Cairo
- Herman Daly, Senior Economist, Environmental Economics and Pollution Division, Environment Department, The World Bank
- James MacNeil, Director, Environment and Sustainable Development, Institute for Research on Public Policy, Ottawa
- Kamla Chowdhry, Chairperson of Centre for Science and Environment

Friday, October 1 (continued)

Topics: Three Questions

- One-and-a-half year after Rio, what has been achieved?
- What are the most interesting things you have learned in the last two years that have changed your view?
- What are the issues we don't know now but should know in five years?

4:15PM Coffee

4:45PM Closing Remarks - Ismail Serageldin

5:15PM Adjourn

17 Aug. '93

Kate

Ma^r,
,

We received The Signature
Disc for Mr. Bruno's Facsimile
Today. Here are Two
Samples from the new Disc.

Charlie
X-80702

Richard Burns

Richard Burns



Michael Bruno

NO

MICHAEL BRUNO

Michael Bruno

NO

This one



Michael Bruno

Michael Bruno

NO

FOR YOUR INFORMATION

FYI/93/092
June 17, 1993

TO !

STAFF ANNOUNCEMENT

I am pleased to announce the appointment of Mr. Michael Bruno as Vice President-Development Economics and Chief Economist.

Mr. Bruno replaces Mr. Lawrence Summers who left the Bank in January 1993 to become Undersecretary for International Affairs of the United States Department of the Treasury. Mr. Bruno, an Israeli national, is currently Professor of Economics at Hebrew University of Jerusalem where his areas of specialty include monetary and fiscal theory and institutions, as well as international economics. He was Senior Economist from 1957 through 1963 and Joint Director of the Research Department 1961-1964, both assignments at the Bank of Israel. He has been on staff at Hebrew University since 1963 and Professor of Economics since 1970. Mr. Bruno was the Director of Research at the Maurice Falk Institution for Economic Research in Israel from 1972 through 1975. He served as Economic Policy Adviser to Israel's Minister of Finance in 1975/76. He served as President of the Israel Economists Association from 1977 through 1979, and has been a Visiting Professor of Economics at Harvard University and the Massachusetts Institute of Technology at various times covering a total of five years. From 1986 through 1991, Mr. Bruno was Governor of the Bank of Israel after playing a key role in the design of Israel's successful 1985 Stabilization Program. He served as an Adviser on Stabilization Programs to the Governments of Mexico, Yugoslavia, and Poland between 1988 and 1990. In 1982, Mr. Bruno was elected an Honorary Foreign Member of the American Academy of Arts and Sciences. He is currently a member of the Israel Academy of Sciences and Humanities and a Fellow of the Econometric Society, of which he was President from 1986 through 1987. He won the Rothschild Prize in Social Science in 1974. Elected in August 1992, Mr. Bruno will serve a three-year term as President of the International Economic Association.

Born in Hamburg, Germany, Mr. Bruno received his Ph.D. from Stanford University in 1962.

Mr. Bruno's appointment will be effective from September 1, 1993.

Michael: Remember me??
Welcome ~~to~~ to the Bank.

Lewis J. Kantor

Joel Beggsman

Thank you,
I do
Michael

Int. Chron

The World Bank

Washington, D.C. 20433
U.S.A.

July 28, 1993

Dear Dr. Osband:

Thank you for writing to me expressing interest in moving over to the research side of the Bank. I have not yet formally arrived, but I am sure DEC is always looking out for good researchers. Your work history looks interesting and may well match the interests of the Policy and Research Department. However, I would prefer not to get involved in staff recruitment of my future departments, especially at this juncture, so I suggest you get directly in touch with PRD managers.

With best wishes,



Michael Bruno

Dr. Kent H. Osband
PSD
World Bank



Record Removal Notice

File Title Michael Bruno - Internal Chronological Records - Correspondence - July - September 1993		Barcode No. 1459975		
Document Date 07/29/1993	Document Type Letter & CV			
Correspondents / Participants From: Kent Osband To: Mr. Michael Bruno				
Subject / Title [Job Application]				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

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Chen

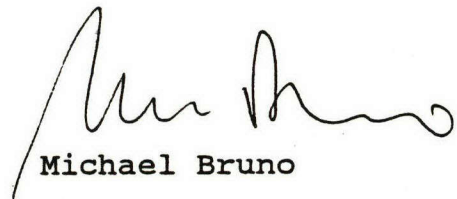
July 26, 1993

Mr. Simon Commander

Simon,

Conference on "Unemployment, Restructuring and
the Labor Market in East Europe and Russia"

Nice conference. Will be glad to open and
also chair the panel.



Michael Bruno

cc: Mr. Amnon Golan

OFFICE MEMORANDUM

DATE: July 19, 1993

TO: Michael Bruno, VPDEC

THROUGH: Amnon Golan, EDIDR *AS.*

FROM: Simon *SK* Commander, EDIEM and Fabrizio *FR* Coricelli, PRDTM

EXTENSION: 36293

SUBJECT: Conference on 'Unemployment, Restructuring and the Labour Market in East Europe and Russia'

1. On October 7 and 8, 1993, we are organizing a conference on 'Unemployment, Restructuring and the Labour Market in East Europe and Russia'. It will be held at the World Bank and the provisional agenda is attached. The conference will draw on the results of the first phase of a research project funded by the World Bank's Research Committee which we have directed. As you will see, we have invited a wide range of experts both within and outside of the World Bank to the conference. We now write to ask whether you would be willing to open the conference and participate as a member of the Panel at the end of the deliberations. We have taken the liberty of attaching your name, albeit with a question-mark, to the programme and hope very much that you will be able to join us. If you have any questions about the event, please do not hesitate to contact either one of us directly.

ECONOMIC DEVELOPMENT INSTITUTE
THE WORLD BANK
UNEMPLOYMENT, RESTRUCTURING AND THE LABOUR MARKET
IN EASTERN EUROPE AND RUSSIA
7 - 8 October, 1993
JB 1-080, J Building Auditorium
The World Bank, Washington DC

7 October 1993
Day 1: Country Studies

- 9.00 - 9.15 Opening Remarks and Introduction
 Michael Bruno (World Bank) (?)
- 9.15 - 11.00 Hungary and Poland
- Authors: Hungary -- Simon Commander, Janos Kollo, Cecilia
 Ugaz and Balaczs Vilagi
 Discussant: Saul Estrin (London Business School)
- Authors: Poland -- Fabrizio Coricelli, Kryzstof
 Hagemeyer and Kryzstof Rybinski
 Discussant: Brian Pinto (World Bank)
- 11.00 - 11.15 Coffee/Tea Break
- 11.15 - 12.30 Russia
- Authors: Simon Commander and Ruslan Yemtsov
 Discussant: Stanley Fischer (MIT)
- 2.00 - 3.45 Czech Republic & Slovakia and Slovenia
- Author: Czech Republic/Slovakia -- Jan Svejnar
 (Pittsburgh University and CERGE)
 Discussant: Christine Wallich (World Bank)
- Authors: Slovenia -- Kathy Abraham (University of
 Maryland) and Milan Vodopivec (World Bank)
 Discussant: John Haltiwanger (Univ. of Maryland)
- 3.45 - 4.00 Coffee/Tea Break
- 4.00 - 5.45 Bulgaria and Romania
- Authors: Bulgaria -- Richard Jackman (LSE), Iskra Beleva
 (Institute of Economics, Sofia) and Mariella Nenova-Amar
 (Agency for Economic Coordination, Sofia)
 Discussant: Kathy Krumm (World Bank)
- Authors: Romania -- John Earle (CEU) and G. Oprescu
 Discussant: Alan Gelb (World Bank)

8 October 1993

Day 2: Comparative Analysis

- 9.30 - 10.45 Unemployment and Restructuring
- Authors: Olivier Blanchard (MIT), Simon Commander and
Fabrizio Coricelli (World Bank)
Discussant: John Flemming (Oxford University & EBRD)
- 10.45 - 11.00 Coffee/Tea Break
- 11.00 - 12.15 Wage Policy and Inflation
- Author; Richard Jackman (LSE)
Discussant: Timothy Lane (IMF)
- 2.00 - 4.00 Institutional and Policy Issues
- Labour Market Institutions
- Author: Michael Burda (INSEAD)
Discussant: Alan Krueger (Princeton University)
- Unemployment Dynamics and Labour Market Policies: An
Overview
- Author: Tito Boeri (OECD)
Discussant: Kathy Abraham (University of Maryland)
- 4.00 - 4.15 Coffee/Tea Break
- 4.15 - 5.30 Panel Discussion and Concluding Remarks
- Panel Members --- Michael Bruno (World Bank) Chair (?)
Guillermo Calvo (IMF)
Roman Frydman (New York University)
Richard Portes (CEPR)
Marcelo Selowsky (World Bank)

Conference Organizers: Simon Commander and Fabrizio Coricelli
Sponsoring Divisions: EDIEM and PRDTM

See De Melo File

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE: July 27 1993	
NAME		ROOM NO.	
Mr. Lyn Squire			
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
☒ INFORMATION		RECOMMENDATION	
INITIAL		SIGNATURE	
NOTE AND FILE		URGENT	
REMARKS:			
FROM: Michael Bruno		ROOM NO.: S9 035	EXTENSION: 33774

To M.B.
7/26

THE WORLD BANK/IFC/MIGA
OFFICE MEMORANDUM

DATE: July 14, 1993

TO: Ms. Nancy Birdsall, PRDDR

FROM: Jaime de Melo, PRDTP *jd*

EXTENSION: 37959

SUBJECT: Proposed Conference on Integration and Migration

MW
Pl. bring this to Bruno's
attention. I support the
idea of a conference.
Migration is an area where
the Bank needs to do
much more work.

Dev

M11

I attach a very preliminary proposal for a conference on the above topic. It has received strong support in the division as a timely and policy relevant topic. I would propose that the conference be carried out jointly with the CEPR as was done in the case of the conference on Regional Integration which led to the production of a volume within 14 months of the conference. Many of the researchers we would want to have contribute to the volume are CEPR members, and I am confident that we could get their collaboration.

My experience from the Regional Integration conference is that we should move quickly to occupy the terrain and be the first to organize such a conference. Also we would need about a one-year lead time which means scheduling for the early fall of 1994.

I think it would be a very good "flagship" task for PRD and DEC in general and that it would generate quite a lot of interest inside and beyond the Bank. But we have to move fast, as I am sure we will not be the only ones thinking about this. The best way to proceed would be to get a green light from Michael Bruno when he comes in July so that I could get started on securing the funding and contacting people in August. The alternative is wait for September, when a new director is in place and a new chief is appointed for PRDTP.

I leave it to you to judge whether it is appropriate to bring this to Mr. Bruno's attention since he has a very busy schedule.

cc: Messrs. D.C. Rao, VPDEC; Richard Portes (CEPR)

Attachment

JdeMelo:rcs



Record Removal Notice

File Title Michael Bruno - Internal Chronological Records - Correspondence - July - September 1993		Barcode No. 1459975		
Document Date 07/29/1993	Document Type Letter			
Correspondents / Participants From: Lewis T. Preston To: Mr. Michael Bruno				
Subject / Title [Best Wishes]				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. <table border="1"><tr><td>Withdrawn by Salma Berrada</td><td>Date April 29, 2025</td></tr></table>	Withdrawn by Salma Berrada	Date April 29, 2025
Withdrawn by Salma Berrada	Date April 29, 2025			

THE WORLD BANK/IFC

ROUTING SLIP		DATE: July 26 1993	
NAME		ROOM NO.	
Mr. Amnon Golan			

APPROPRIATE DISPOSITION	NOTE AND RETURN
APPROVAL	NOTE AND SEND ON
CLEARANCE	PER OUR CONVERSATION
COMMENT	PER YOUR REQUEST
FOR ACTION	PREPARE REPLY
INFORMATION	RECOMMENDATION
INITIAL	SIGNATURE
NOTE AND FILE	URGENT

REMARKS:

Amnon, DCR sent this to Michael Bruno for comment but unfortunately he will have no time to look at it. Would anyone in your shop like to comment?
Thanks.

Kate
Kate Oram

Att.

FROM:	ROOM NO.: S9 035	EXTENSION: 31107
--------------	----------------------------	----------------------------

OFFICE MEMORANDUM

8848

Date: July 23, 1993
To: Mr. Michael Bruno, DECVP
From: Ron Duncan, ~~NO~~ Chief, IECIT
Extension: 33845
Subject: World Food Outlook

93 JUL 23 PM 2:30
RECEIVED
DEVELOPMENT ECONOMICS
VP & CHIEF ECONOMIST

D.C. Rao asked that we get a draft of the World Food Outlook manuscript to you today so that you might evaluate its readiness for publication.

c.c. D.C. Rao (o/r)

Attachment

RD:akw

22/7/93

John,

This is a paper that attempts
to link growth & macro performance -
somewhat simple-minded. I also have
~~another~~ a small section on Asian
countries, not included here, which
links up with what we talked about
yesterday.

In this connection - I have
a comment or suggestion related to
your paper with Thomas Pack.

Let's have a word about ~~it~~
next week, if you have time to glance
at the enclosed.

Michael

Alan Gelb

Bill Easterday

John Page

INFLATION AND GROWTH IN AN INTEGRATED APPROACH

by

Michael Bruno

(Prepared for Fiftieth Anniversary Conference of
Essays in International Finance, Princeton University)

Hebrew University, Jerusalem
June , 1993

FOR YOUR INFORMATION

FYI/93/092
June 17, 1993

STAFF ANNOUNCEMENT

I am pleased to announce the appointment of Mr. Michael Bruno as Vice President-Development Economics and Chief Economist.

Mr. Bruno replaces Mr. Lawrence Summers who left the Bank in January 1993 to become Undersecretary for International Affairs of the United States Department of the Treasury. Mr. Bruno, an Israeli national, is currently Professor of Economics at Hebrew University of Jerusalem where his areas of specialty include monetary and fiscal theory and institutions, as well as international economics. He was Senior Economist from 1957 through 1963 and Joint Director of the Research Department 1961-1964, both assignments at the Bank of Israel. He has been on staff at Hebrew University since 1963 and Professor of Economics since 1970. Mr. Bruno was the Director of Research at the Maurice Falk Institution for Economic Research in Israel from 1972 through 1975. He served as Economic Policy Adviser to Israel's Minister of Finance in 1975/76. He served as President of the Israel Economists Association from 1977 through 1979, and has been a Visiting Professor of Economics at Harvard University and the Massachusetts Institute of Technology at various times covering a total of five years. From 1986 through 1991, Mr. Bruno was Governor of the Bank of Israel after playing a key role in the design of Israel's successful 1985 Stabilization Program. He served as an Adviser on Stabilization Programs to the Governments of Mexico, Yugoslavia, and Poland between 1988 and 1990. In 1982, Mr. Bruno was elected an Honorary Foreign Member of the American Academy of Arts and Sciences. He is currently a member of the Israel Academy of Sciences and Humanities and a Fellow of the Econometric Society, of which he was President from 1986 through 1987. He won the Rothschild Prize in Social Science in 1974. Elected in August 1992, Mr. Bruno will serve a three-year term as President of the International Economic Association.

Born in Hamburg, Germany, Mr. Bruno received his Ph.D. from Stanford University in 1962.

Mr. Bruno's appointment will be effective from September 1, 1993.

Lewis J. Renteria

A L L - I N - 1 N O T E

DATE: 15-Jul-1993 04:27pm

TO: Catherine Cardona (CATHERINE CARDONA)

FROM: Kate Oram, DECVF (KATE ORAM)

EXT.: 31107

SUBJECT: Michael Bruno

Cathy--one more thing. Michael Bruno suggested you may want to split your time with him on July 23 into 2 parts i.e. (i) his personal coming on board stuff, and (ii) DEC personnel issues. You may wish to discuss this with him when you talk tomorrow. Thanks.
Kate.

File

A L L - I N - 1 N O T E

DATE: 15-Jul-1993 03:48pm

TO: Orsalia Kalantzopoulos (ORSALIA KALANTZOPOULOS)

FROM: Kate Oram, DECVP (KATE ORAM)

EXT.: 31107

SUBJECT: Michael Bruno

Orsalia, thanks for getting back so quickly re the President's meeting with the VPs. I talked to Michael Bruno a short while ago. He would prefer to wait until he's officially on board before attending the VPs' meeting but asked me to thank you all for inviting him.

He does plan to attend the PRC Review of the Africa Adjustment Study on Friday, July 23 at 2.30. Thanks again. Kate.

A L L - I N - 1 N O T E

DATE: 15-Jul-1993 12:58pm

TO: Kate Oram

(KATE ORAM)

FROM: Orsalia Kalantzopoulos, EXC

(ORSALIA KALANTZOPOULOS)

EXT.: 82636

SUBJECT: President's Meeting with VPs

Kate:

there is no agenda for the July 26 President's Meeting.

Orsalia

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: July 15, 1993 09:53am

TO: Michael Walton
TO: Kate Oram

(MICHAEL WALTON)
(KATE ORAM)

FROM: Orsalia Kalantzopoulos, EXC

(ORSALIA KALANTZOPOULOS)

EXT.: 82636

SUBJECT: Africa Adjustment Study: PRC Review

Mr. Bruno may want to attend. Please, let us know.

CC: D. C. Rao
CC: Institutional ISC Files

(D. C. RAO)
(INSTITUTIONAL ISC FILES)

confidential

DECLASSIFIED

MR. D C RAO

APR 29 2025

July 15 1993

2.10

WBG ARCHIVES

DC,

Michael Bruno called me at 1.45 our time as he was going to be out later. Regarding his schedule, he asked me to do the following:

1. Vietnam. He may very well cancel but he wants me to leave it on the schedule for now.
2. He wants to keep the Africa Adj. meeting and everything else on the schedule for 7/21,22,23.
3. He has agreed to a half-hour GEP-Update meeting at 2.30, Tues. 27th.
4. He will not attend the VP meeting on Monday 26th.
5. He told me to keep Ramesh on the schedule for Monday 26th.

Candidates

On his instruction, I have set up appointments with the following:

A Gelb

J Page

L Squire

I have sent an em to Cathy Cardona asking for files/updated material etc.

He wants me to call him again tomorrow at 3.00 pm.

Kate

kate oram

A L L - I N - 1 N O T E

DATE: 14-Jul-1993 03:51pm

TO: Kate Oram (KATE ORAM)

FROM: D. C. Rao, IECDR (D. C. RAO)

EXT.: 33800

SUBJECT: Bruno's visit

Could you pl call Michael Bruno at 3 pm tomorrow. He would like to go over the schedlue with you and give you the list of candidates that he wants to interview for the PRD job.

He seemed to accept my suggestion that he skip the Viet Nam mtgs. He was also incline to skip the Monday morning EXC briefing (that I will have to attend). I told him the Africa mtg was a low priority, but he may choose to keep it. A separate mtg with Ramesh is not necessary at this stage. I have suggested the addition of a half-hour briefing on the GEP-update (Board mtg on sept 10), with Dadush, Ahmed, Walton and me.

Re candidates, Cathy has agreed to get the relevant files and updated material on the candidates to be interviewed. Pl liase with her tomorrow. It is important tht Michael Bruno has this material before he meets the candidates.

CC: Catherine Cardona (CATHERINE CARDONA)

A L L - I N - 1 N O T E

DATE: 15-Jul-1993 03:06pm

TO: Catherine Cardona (CATHERINE CARDONA)

FROM: Kate Oram, DECVF (KATE ORAM)

EXT.: 31107

SUBJECT: Candidates

Cathy, Michael Bruno called me at 1.45 today rather than 3.00 as he had to go out later. I told him you'd like to talk to him. He said he'd be glad to but he was rushing out and suggested I transfer him to you when I talk to him tomorrow at 3.00pm.

He would like to have the files/updated material on the following:

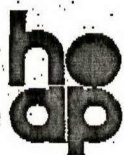
Alan Gelb, Lyn Squire, John Page. He will be meeting with the Alan and Lyn on Wed. July 21, and with John on Thurs. 22nd.
Thanks a lot. Kate

CC: D. C. Rao (D. C. RAO)

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE:
		Sept. 25 1993
NAME		ROOM NO.
Mr. Alan Gelb		
Mr. Shahid Yusuf		
APPROPRIATE DISPOSITION	NOTE AND RETURN	
APPROVAL	NOTE AND SEND ON	
CLEARANCE	PER OUR CONVERSATION	
COMMENT	PER YOUR REQUEST	
FOR ACTION	PREPARE REPLY	
INFORMATION	RECOMMENDATION	
INITIAL	SIGNATURE	
NOTE AND FILE	URGENT	
REMARKS: Re attached I'd be grateful if you could discuss this together and prepare a reply for my signature. Thanks. Michael		
FROM:	ROOM NO.:	EXTENSION:
M Bruno	S9 035	33774



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Poststrasse 22
7000 Chur, Switzerland
Telex: 453268 APUB CH
Fax: 021 - 963 - 19 - 07

Page 1 of 3

Please reply to:

P.O. Box 90,
Reading, Berkshire.
RG1 8JL U.K.
Tel: 0734 560080
Fax: 0734 568211

8890

Professor Michael Bruno
Department of Development Economics
The World Bank
1818 H Street NW
Washington, DC 20433

23 September, 1993

Dear Professor Bruno,

Journal of Policy Reform

We have received a proposal from Dani Rodrik for a new journal on *Policy Reform*. The idea was initially ours, though it has been refined and developed by Professor Rodrik who is tentatively interested in editing the journal.

The main competition in Europe is the *Economics of Transition*, which has recently been set up by the European Bank for Reconstruction and Development. However, its focus is almost exclusively on Eastern Europe and the former Soviet Union, while ours would be geographically more diverse. Moreover, the *Journal of Policy Reform* would deal with more than 'transition' issues. As you will see from the aims and scope, we will be encouraging work on agrarian and tax reform as well as trade liberalization, etc.

I would be very grateful for your advice on this proposal. It would be helpful if we could speak on the telephone in the next few days. We could then briefly discuss the following questions:

1. Are there enough good papers to justify this new journal?
2. Do you have any suggestions for improving the aims and scope?
3. Is there a market for this journal? Would you recommend that your library subscribes?
4. Finally, do you have an article that might be submitted for the first issue?

Thank you very much for your help.

Best wishes,

Yours sincerely,

Mark Simon
Commissioning Editor

Page 2 of 3

3

The Journal of Policy Reform

Aims and Scope: Short Statement

This journal is devoted to analytical studies of systemic policy reform in developing and transitional economies. Papers are sought in the areas of stabilization and disinflation policy, privatization, price reform, trade liberalization, tax reform, agrarian reform, financial-sector reform, and their interactions. Analytical country studies, political-economy analyses, and econometric work are welcome, as are applied theoretical analyses. The journal will occasionally publish review articles and symposia.

Aims and Scope: Longer Statement

The 1980s have seen the beginning of a wave of economic reform in developing countries. Increasingly, governments have rejected inward-oriented, highly-interventionist policies of the past, and have looked for a more successful alternative by espousing more liberal policy regimes. Reforming governments in Latin America, Africa, and Asia were joined in the late 1980s by the former socialist countries, first in Eastern Europe, and later in the former Soviet Union. Although the latter group has much further to travel on the road to a market economy, developing and former socialist economies now face a largely common set of policy issues having to do with transition from one policy regime to another.

The experience of these countries has been far from smooth, suggesting that systemic reform is a painful process that takes a long time and that can be easily reversed. This experience has created a novel analytical challenge for economists, namely developing an improved understanding of both the normative and positive aspects of the transition. The dynamics of policy reform--how to get from here to there--has always been the weak point of the theory of economic policy. The cumulative experience to date has brought this shortcoming into focus even more starkly.

Stimulated by the challenge, a growing literature has been focussing on such questions as: what are the appropriate sequencing of reforms in the presence of widespread market distortions and absence of market institutions? how can governments best enhance the credibility of their actions, without which the reforms may be doomed? how can macroeconomic stability be attained when tax instruments are weak and social demands on government spending strong? what are the appropriate strategies for building political support for successive reforms? what forms of privatization should be pursued, and how fast? what type of financial institutions will best serve the transitional economies? Researchers have been addressing these and other questions by resorting to both applied theory and empirical analysis.

There is, as yet, no academic journal devoted specifically to these issues. A number of policy journals (e.g., *Brookings Papers*, *Economic Policy: A European Forum*, and *Journal of Economic Perspectives*) have been actively publishing papers in this area, but these are not academic journals with standard refereeing procedures. Their articles tend to be commissioned by the editors. The top academic journals (*American Economic Review*, *Quarterly Journal of Economics*, *Journal of Political Economy*) have also published a number of papers related to these issues, but their limited space does not allow them to include some very good work. The *World Bank Economic Review* and the *IMF Staff Papers* are house journals, not open to general submission. Hence, there is enough of an overflow of good, academically-rigorous papers in the area to justify the founding of a journal devoted specifically to the problems of policy reform. In addition, it is likely that the presence of a high-profile journal would spur younger

Page 3 of 3

4

scholars to enter a field which until recently was regarded as rather risky (in part because of the absence of a regular publishing outlet).

As mentioned above, policy reform and its consequences are likely to remain with us for a long time to come. Consequently, this is an opportunity to fill a market niche that is likely to become more, rather than less, obvious over time.