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THE WORLD BANK

Washington, D.C.

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MANAGING COMMITTEE ERS/MC 82
GENERAL ①

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WBG Archives



OFFICE MEMORANDUM

ht

TO: Managing Committee, Vice Presidents,
and Department Directors

DATE: November 3, 1982

FROM: H. Martin Koelle, IPA *HK*

SUBJECT: Second Compendium of Press Coverage of WDR

Attached is a second compendium of press stories on the WDR, compiled after IPA received a large volume of articles after the closing deadline for the first compendium, which was distributed to you in September.

*Press clippings copies not filed - too bulky
if necessary for reference may be obtained
from IPA.
MS'*

POS-01

0042

Humphrey, William S.
E 1231

World
Development
Report
1982

Press Coverage
2

Published for The World Bank
Oxford University Press

This is the second compendium of press coverage on the 1982 WDR.

PRESS COVERAGE: WORLD DEVELOPMENT REPORT 1982

Volume 2

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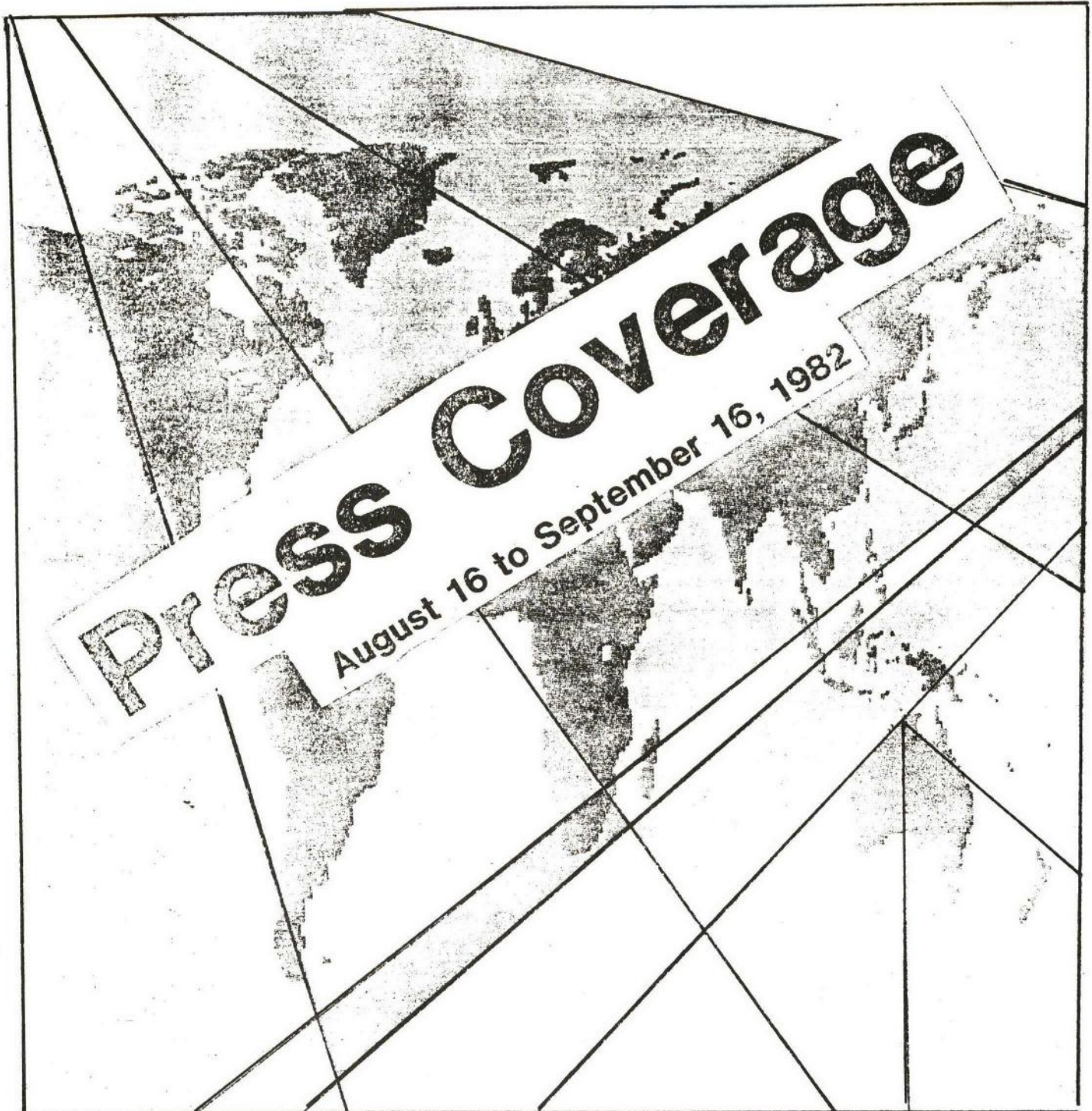
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AFRICA

WMT
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World Development Report 1982

International Development Trends
Agriculture and Economic Development
World Development Indicators



PRESS COVERAGE: 1982 WORLD DEVELOPMENT REPORT

(August 16 - September 16, 1982)

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M.R. Humphrey

FORM NO. 75
(9-78)

THE WORLD BANK

ROUTING SLIP		DATE:
		November 4, 1982
NAME		ROOM NO.
Mrs. Anne O. Krueger, VPERS		I 8-100
Mr. C. Michalopoulos, VPERS		I 8-174
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: This draft reflects a meeting I had with the IMF three weeks ago. It has not yet been cleared by them.		
In fact, we do get the short-term estimates from personal contacts, but on the undertaking that we do not show them to anyone; which reduces their usefulness.		
FROM: Jean Baneth	<i>Jean Baneth</i>	ROOM NO.: I 7-173
		EXTENSION: 61813

DRAFT
JBaneth:mp
October 18, 1982

TO : Mrs. Anne Krueger (VPERS)
(through: Mrs. Helen Hughes, EPD)
FROM : Jean Baneth, EPDDR
SUBJECT : Short-run projections: cooperation with the IMF

1. As you know, we have asked the Regional Offices to provide us with summary information on the short run evolution of major countries, i.e. preliminary estimates for the current year and forecasts for the following year. While we are getting responses from all Regional Offices, their quality is variable. They include a substantial amount of "information" which one Chief Economist has called "intrapolations of long-term projections," and another termed "normative" estimates. More broadly, even though both Mr. Stern and Mr. Clausen have said that they attach high priority to the exercise, it is clear that the country economists feel they are not organized adequately for obtaining and presenting such recent historical data and short-term projections.
2. Consequently, I approached the IMF for obtaining these data. After a preliminary meeting with Mr. Andrew Crockett, who will be heading the World Economic Outlook team, my colleagues and I met with Mr. Deppler, head of the Current Studies Division in the Research Department. That Division collects summary information and short-term forecasts from the Fund's Area Departments twice a year for all countries. That information, which the W.E.O. publishes only in aggregate, is considerably less detailed than what we would ideally like to have (for instance, it gives the values of GNP without any sectoral breakdown); and it is compiled at dates not ideally suited to our purposes. Nevertheless, it would enormously facilitate our satisfying the Bank's needs.
3. Mr. Deppler indicated that there would be no material difficulty in communicating this information to us in future. The main problem relates to its high confidentiality, whose preservation is considered by the IMF's Area Departments to be very important. Mr. Deppler expressed some concern about the possibility that some of the country projections may leak out to

the public and be attributed to the IMF. He was also concerned about the possibility that open disagreement between Bank and Fund economists about these numbers, which are very tentative, and whose value is strongly influenced by the exact date at which they are calculated, may greatly complicate the task of the Current Studies Division.

4. We explained that the country estimates and projections will be reformatted by EPD, and probably expanded to include at least sectoral breakdowns, derived by econometric estimates or other methods. These would be sent to Regional Offices under EPD's sole responsibility. The exact format of the first such statement will be cleared with the IMF Current Studies Division. EPD undertakes that the IMF estimates will not leak out from this Department; and it will draw the Regional Offices' attention to the need to ensure that the estimates are treated confidentially. Any broader circulation of this information will be in aggregate form only.

5. Assuming we succeed in obtaining access to the data and projections compiled by the IMF, our work on short and medium-term forecasts and creditworthiness analysis would be greatly facilitated. If we cannot rely on the IMF for this purpose, we would have to obtain from the Regional Offices that they substantially reorient their work.

THE WORLD BANK

W03
File
6

ROUTING SLIP		Date
		June 18, 1982
OFFICE OF THE PRESIDENT		
Name		Room No.
Mr. Benjenk		
Mr. Golsong		
Mr. Paijmans		
Mr. Humphrey ✓		
<input type="checkbox"/>	To Handle	Note and File
<input type="checkbox"/>	Appropriate Disposition	Note and Return
<input type="checkbox"/>	Approval	Prepare Reply
<input type="checkbox"/>	Comment	Per Our Conversation
<input type="checkbox"/>	Full Report	Recommendation
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Remarks		
Olivier Lafourcade		
From		

1257
OFFICE MEMORANDUM

TO: Mr. A.W. Clausen
FROM: E. Peter Wright, VPERS
SUBJECT: Board Discussion of Research

DATE: June 17, 1982

1. Since the cuts in the Bank's research program were brought up last Friday during the discussion of the budget in the Committee of the Whole, I have spoken to a number of Executive Directors about this -- specifically Messrs. Ragazzi, Poulsen (in Lundstrom's absence), Drake, Looijen, Munzberg, Ray and Derek Smith. I understand that Mr. Lundstrom is likely to raise the matter again next week when the budget is formally reviewed by the Board. Mr. Ragazzi also indicated an interest in pursuing the subject, but I believe he will be away.

2. There appear to be three main areas of concern to the Board:

- (a) what was referred to on Friday as the procedural issue, i.e. whether Management has the authority to reduce the budgetary allocation for research without consulting the Board;
- (b) what Mr. Lundstrom in particular feels to be the lack of a satisfactory explanation for the cuts; and
- (c) the actual impact of the cuts on the research program.

In my conversations I have addressed only the last two issues and have made the following points:

- (i) In a resource-constrained environment Management has clearly taken the view that other claims (e.g. strengthening the personnel and external relations functions) have higher priority at the margin than the maintenance of research expenditures -- a perfectly rational position to take.
- (ii) One of the declared objects of the staff reorganization was to eliminate the overlapping mandates that previously existed between DPS and CPS with respect to certain types of policy analysis and research, so that research output should not be affected to the full extent of the cuts in staff inputs.
- (iii) The research staff redeployed from DPS to OPS will mostly continue to do much the same kind of research as before, and the projected reduction in research input is mainly attributable to staff reassigned to the African Regions who will gradually phase out of research activities (though not to the point of abandoning on-going projects) -- there will also be some reduction in the amount of consultants' time funded from departmental budgets, but not from the external research budget which is being maintained at the same level in real terms.

Mr. A.W. Clausen

June 17, 1982

- (iv) It is too early to project the impact of the budget cuts on Bank research, particularly as a new Vice President will shortly be taking over -- however, as Mr. Duloy observed at Friday's meeting, there is likely to be some stretching out of projects and a slowing down of new starts with a tendency in the future to have somewhat larger projects, but fewer of them, with collaborating institutes doing more of the work.
- (v) The broad directions of research are not likely to be changed significantly, but there obviously will be some changes in the detailed composition of new starts which cannot in the nature of things be precisely planned in advance.

3. Mr. Ragazzi has enquired about the possibility of having a fresh external review of the Bank's research program (the previous review by a panel chaired by Sir Arthur Lewis was completed in August 1979). We are giving some thought to ways of institutionalizing this process in future (e.g. by having a five or six-year cycle under which a particular area of research would be selected for detailed review each year), and this is one of the issues which will be taken up with Mrs. Krueger when she comes on board.

4. I told all the Directors I spoke to that we would be happy to provide them with any further information they wanted, to the extent that this is available, but none of them has asked for anything more, nor is there much more that we could tell them. However, I did make the point that the reorganization of DPS has proceeded smoothly and most of the staff affected appear to be settling down well in their new assignments. Mr. Ragazzi and Mr. Smith both felt it reasonable to allow about six months after Mrs. Krueger takes over before making a fresh presentation of the research program to the Board.

5. I plan to speak with Mr. Lundstrom if he is in the office on Monday.

EPW:cbk

cc: Messrs. Qureshi, Stern, Baum, Gabriel, Thahane
Stoutjesdijk - DRD
van der Tak - CPSVP
Waide - CPD
Members of Research Committee

DRAFT

discussion

The Committee discussed extensively the various issues and concerns raised by the proposals, examined the underlying fundamental principles and reviewed possible alternatives. The discussion centered on general aspects concerning research on one side and economic work on the other, and more specific aspects of the proposed reorganization as they would affect two departments in particular, PPR and DED.

General Aspects. The Committee recognized the dilemma faced by the Bank. On one hand, the Bank must be more economical in its organization, which may imply having to cut back some activities. On the other, the Bank must be at the cutting edge of the state of the art in terms of research on economic development. It is therefore critical to decide how much to cut on one side and how far the Bank needs to go to retain its expertise at the cutting edge of knowledge of the development process.

In general terms, the weight of research should be reduced to be more focused and more operationally oriented. It is recognized that there is already some research done in CPS which is clearly operation-oriented. Some people can be moved from DPS to CPS to further that orientation. What is left in DPS can be more sharply focused. The question then becomes one of personalities and talents of the individuals concerned. Some trade-off is inevitable. The difficulty, however, is that what people would be asked to do in their new situation is not precisely known. In addition, it could be very wasteful to ask specialists to become "general practitioners." It is therefore important to define precisely what research ought to be, as well as to try to define where research stops and policy work and other operation support begin.

On the other side, i.e., with respect to the need to strengthen economic policies at the individual country level, there is no alternative to strengthening the manpower and expertise available to work at its level. This is an issue that faces all regions in varying degrees, the most urgent and important needs being for Africa. It must be recognized, however, that "savings" in manpower cannot be expected to occur from other regions for possible allocation to the Africa regions.

Reviewing the arguments for reprogramming of DPS instead of the full transfer option, one member argued that it would be easier to do, especially if the problems of reassignments of senior staff are considered. Reprogramming would imply the need for clear statements of priorities and precise work programs, some of which may mean the deferring of ongoing work of lesser priority. DPS could be conceived as a consulting firm. What is important is to maintain the quality of the specialists. In that respect, it should be noted that the quality of economists in the region tends to deteriorate through time, and, in that sense, DPS can help in staffing the regions with qualified economists and training the regions' economists. In sum, it is argued that the objectives can be accomplished without the costs attached to the splitting and relocating.

The discussion led to an examination of what the over-all staffing situation of the Bank is, in view of the likelihood of scaling down operations. In this connection, the Young Professional Program recruitment is already being scaled down, and a number of managers, especially in the regions, have already slowed down recruitment. However, these are not yet sufficiently concrete data to lead to more specific measures, which perhaps will need to be somewhat drastic. In this respect, much depends on the decision of the U.S. concerning IDA and the subsequent Board decisions. The situation is expected to be much clearer by mid-January.

In essence, the proposed transfer of DPS staff to CPS leads to the need to redefine the functions and scope of DRC activities and, as importantly, to look carefully at CPS where some individuals may need to be transferred either to the regions or to the redefined DRC. In other words, the whole package needs to be looked at and resliced in view of the resource constraints. In general, the Committee stressed the importance of restructuring work programs along with the shifting of units. PPR. In splitting PPR, the bulk of its activities would go to the proposed Operations Policy and Review Department in CPS; however, part of it would need to go to P&B and that side needs to be looked at. P&B and PPR reviews of CPPs are almost identical, but P&B has a viewpoint on CPPs which operations do not have: e.g., monitoring function on a Bank-wide basis and analysis of creditworthiness from the financial complex angle. The main current contribution of PPR comes from its across-the-board experience. The over-all review functions of the Program Review Division is important, but the Division must rely on other units to perform it. The input of the Division could, however, be provided more upstream in the elaboration of country programs. In any event, the question remains on whether the overview function should not be better located in the operational complex.

As for the policy side of PPR, the small Policy Planning Division serves essentially as a secretariat to the Policy Review Committee, although it does conduct some analysis itself. The question is whether such an independent group is needed. It was pointed that the Division does more than just secretariat work: it initiates some policy analysis, it identifies topics on which research is needed, it prepares speeches for managers of the Bank, and in general it is a group available for assignments of a short lead-time nature. Some members argued that the

PP Division could stay where it is since there is the need for a conduit between the (reformulated) DPS and the rest of the Bank. In addition, there may be the need for such a group to initiate studies over and above what comes from the two main complexes, Operations and Finance.

Several members expressed uneasiness about such a group having policy decision responsibilities. The discussion clarified, however, that the "policy" being talked about in this context is not that which the Managing Committee is called to decide upon, this being rather the result of activities of subcommittees, working groups and task forces. Therefore, the small unit would take more the form of a contributor to the policy-making process. There is indeed the need somewhere for skills to write policy statements.

DED. There are several alternatives concerning DED, from moving 100% out of DPS to not moving any of it out but reprogramming its activities. DED is currently involved in a broad spectrum of activities, with various types of research, policy work and support to country program work. The recommendation is to move all of DED to operations and then subdivide its activities to combine the research side with what is currently being done in CPS, the objective being to get to more relevant policy advice.

The reason why DPS has so far kept functional responsibilities in the same areas as CPS (e.g., Population and Human Resources, Urban Development) is that it looks at relationships among sectors. In essence, the macroeconomic work is done in DPS while the sector and project work is done in CPS. In other words, DPS provides support to the programs divisions in the regions while CPS provides support to the projects divisions. While this has been the case in the past, the dilemma is that, as DED becomes more operationally oriented, it is doing more and more what CPS is doing. The question is therefore whether the combination of both would not be more efficient.

The fundamental issue is the need for releasing manpower from this type of work to be transferred more into country policy and direct operational support work. For instance, about 20-25 people should be made available to work in and on the countries of Africa.

One member expressed doubts as to the merits of placing people released from DPS to CPS if what is expected from them is substantially different from what they are used to doing now, i.e., putting them more into "production line" work. Why not transfer them directly to the regions? The reply pointed to the fuzziness which exists in CPS and DPS in the continuum from research (broad and/or applied) to operational support. The transfer to CPS gives time to sort out these aspects, i.e., redefine functions. At the same time, however, the increase in staff and responsibilities in CPS may exacerbate some feelings in the regions where there are already reservations about distribution of responsibilities between them and CPS.

The Committee recognized that there is not a 100% transferability of staff from research in DED and CPS or regional work. There has so far been no attempt to find out whether some individuals could go straight to the regions. It is clear, however, that some could or should remain in DPS to do research work in the expanded/reprogrammed DRC.



Record Removal Notice

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Document Date March 15, 1982	Document Type Memorandum			
Correspondents / Participants To: Mr. Timothy T. Thahane - Vice President & Secretary From: Derek F. Smith - UK Alternate Executive Director				
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		<table border="1"><tr><td>Withdrawn by Shiri Alon</td><td>Date May 23, 2017</td></tr></table>	Withdrawn by Shiri Alon	Date May 23, 2017
Withdrawn by Shiri Alon	Date May 23, 2017			

OFFICE MEMORANDUM

(a)

TO: Managing Committee

DATE: March 4, 1982

FROM: Hollis B. Chenery *HBC*SUBJECT: World Development Report 1982--A Status Report

In response to Mr. Clausen's question, the work of the WDR '82 team is proceeding well. A rough draft of Part I on the international economy was completed by EPD in late January and is now being revised. A number of background papers for Part II on agriculture have been completed and drafting is proceeding. The first complete draft of the report is scheduled to be delivered to Mr. Waide on March 19.

Since we have not yet formalized a procedure for review of the WDR drafts, I would propose the following:

1. A Review Group, comprising Messrs. Stern, Benjenk and myself be formed to consider early drafts. Mr. Waide will deliver on March 5 (a) a ten-page synopsis of the main themes of the report and (b) a note on the changes which are proposed in country classification and other aspects of the World Development Indicators. Given our different travel schedules, individual comments will be solicited at this time.
2. On April 9 the first draft of the report will be delivered to the Review Group for consideration at a meeting on April 15 or 16.
3. On May 11 the team will deliver the final draft of the World Development Report text for review by the full Managing Committee at their meeting on May 17.

In the light of comments received from the Managing Committee, and from technical reviewers, a final version will be prepared to be sent to the printers on May 31. The Board meeting itself is on July 8 and will be preceded by a seminar: the last date for changes before printing is July 15.

cc. Messrs. Baneth (EPD), Chander (EPD), Feather (PUB), Lafourcade (EXC), Turnham (WDR), van der Tak (CPS), Waide (VPD).

HBChenery/ko

ROUTING SLIP		Date Jan. 6, 1982	
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Remarks			
<p><i>OL</i></p> <p>Olivier Lafourcade</p>			
From			

ERS

Note: first line should read For Clausen

WORLD BANK 641450

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Distribution; fca

Mr. Clausen

Mr. Stern

Mr. Waide

Mr. Van Der Tak

NEW DELHI, JANUARY 6, 1982

WORLD BANK

WASHINGTON, D C

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MAY 17 2017

WBG ARCHIVES

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EBSEN, COPIES: STERN, WAIDE, VAN DER TAK, MANAGING COMMITTEE
FOLLOWING ARE MY COMMENTS ON VAN DER TAK - WAIDE MEMORANDUM OF
DECEMBER 23 ON REORGANIZATION OF ECONOMIC ANALYSIS

AND RESEARCH.

SECTION TWO. REALIGNMENT OF FUNCTIONS

I AGREE THAT THE DISTINCTION BETWEEN BASIC AND OPERATIONAL RESEARCH
IS THE MOST USEFUL GUIDE TO DEFINING THE FUNCTIONS OF THE ECONOMICS
AND RESEARCH STAFF (ERS) AND THE CENTRAL ADVISORY STAFF (CAS). IT
MUST BE SUPPLEMENTED IN SOME CASES TO MAINTAIN A MINIMUM CRITICAL
SIZE IN SEVERAL SPECIALIZED FIELDS AND TO ALLOW FOR A DESIRABLE MIX
OF ACTIVITIES FOR INDIVIDUAL RESEARCHERS. IN GENERAL TERMS, THE
NEW ERS DEVELOPMENT RESEARCH DEPARTMENT SHOULD BE RESPONSIBLE FOR
THE SPECTRUM OF RESEARCH AND DEVELOPMENTAL ACTIVITIES IN THE FIELD
OF MACROECONOMICS, RANGING FROM ACQUIRING KNOWLEDGE OF BASIC DEVELOP-
MENT PROCESSES AND THEIR INTERACTIONS TO THE DESIGN OF TOOLS OF COUNTRY

ANALYSIS AND THEIR APPLICATION ON AN EXPERIMENTAL BASIS. THE ASSIGN-
MENT OF PRIMARY RESPONSIBILITY FOR POLICY DEVELOPMENT TO CAS SHOULD
NOT BE INTERPRETED TO PRECLUDE THE INVOLVEMENT OF ERS RESEARCHERS IN
THE INNOVATIVE APPLICATION OF ANALYTICAL TOOLS TO THE EXTENT DESIRED
BY THE REGIONS. THIS IS NECESSARY TO THE MAINTENANCE OF A POLICY
FOCUS TO RESEARCH AS WELL AS MAKING AVAILABLE THE SERVICES OF SOME
OF THE BANK'S BEST ECONOMISTS, WHO ARE ATTRACTED TO THE BANK BY THE

OPPORTUNITY TO COMBINE BASIC RESEARCH WITH PARTICIPATION IN OPERATIONAL ANALYSIS.

THE DEFINITION OF FUNCTIONS ALSO NEEDS TO TAKE ACCOUNT OF THE USE OF BANK RESEARCH IN OUR MEMBER COUNTRIES, WHICH YOU WILL FIND IS HIGHLY VALUED IN PLACES SUCH AS INDIA. THE DPS HAS PROVIDED THE PRINCIPAL LINK TO LOCAL RESEARCH INSTITUTIONS, AND THE ERS SHOULD HAVE THE CAPABILITY TO EXPAND THIS FUNCTION AS URGED IN PREVIOUS BOARD DISCUSSIONS, CONSISTENT WITH THE OVERALL RESPONSIBILITY OF THE VICE PRESIDENT, ECONOMICS AND RESEARCH.

SECTION THREE. TRANSFER OF POSITIONS.

THE MAIN ISSUES IN DECIDING ON THE TRANSFER OF POSITIONS CONCERN THE DIVISIONS OF FUNCTIONS IN THE FIELDS LISTED IN PARA EIGHT, WHICH GENERALLY INVOLVE MACROECONOMIC AND MULTISECTORAL ANALYSIS AND ARE NOT COVERED BY THE SECTORAL DEPARTMENTS OF THE CPS. IT IS AGREED THAT THE ERS SHOULD HAVE RESPONSIBILITY FOR BASIC RESEARCH IN THESE AREAS. I WOULD ARGUE THAT IT SHOULD ALSO HAVE SOME RESPONSIBILITY FOR OPERATIONAL SUPPORT IN ORDER TO MAINTAIN ANALYTICAL UNITS ABOVE A CRITICAL MINIMUM IN SPECIALIZED FIELDS. THESE MIGHT INCLUDE INCOME DISTRIBUTION, EMPLOYMENT AND LABOUR MARKETS, AND INVESTMENT PROGRAMMING, WHERE THERE HAS BEEN SUBSTANTIAL RESEARCH IN BOTH DRC AND DED AND OPERAT

ONAL ANALYSIS RELIES HEAVILY ON THIS CONTINUING RESEARCH. (THE SAME REASONING SUGGESTS THAT THE HUMAN RESOURCE DIVISION TO BE TRANSFERRED FROM DED SHOULD CONTINUE TO DO SOME BASIC RESEARCH.) ON THE ABOVE GROUNDS I WOULD RECOMMEND A TRANSFER OF FORTY-ONE (41) RATHER THAN FIFTY-ONE (51) POSITIONS FROM DPS TO OPERATIONS. THE ADDITIONAL TEN POSITIONS TO BE RETAINED ARE OCCUPIED BY PEOPLE WHO WERE EMPLOYED ON THE BASIS OF THEIR RESEARCH ABILITIES AND HAVE RELATIVELY LITTLE OPERATIONAL EXPERIENCE. THEY ARE GENERALLY LESS WELL QUALIFIED FOR THE RANGE OF FUNCTIONS DESCRIBED FOR THE CENTRAL ECONOMIC STAFF THAN MANY ECONOMISTS WHO MIGHT BE RECRUITED FROM THE MORE EXPERIENCED REGIONAL STAFF. GIVEN THE PROSPECT OF SOME RE-

ALLOCATION OF COUNTRY ECONOMISTS FOLLOWING THE REDUCTION IN IDA,
I DO NOT THINK THAT A DECISION ON THE STAFFING OF THE PROPOSED CENTRAL
ECONOMIC STAFF SHOULD BE MADE ONLY ON THE BASIS OF TRANSFERS FROM THE
DPS.

THIS ALTERNATIVE WOULD HAVE SEVERAL ADDED ADVANTAGES:

(A) IT WOULD MAINTAIN SPECIALIZED ANALYTICAL UNITS OF MINIMUM CRITICAL
SIZE BY ALLOWING FOR SOME FLEXIBILITY IN THE DIVISION OF FUNCTIONS
BETWEEN ERS AND CAS IN VERY SPECIALIZED FIELDS.

(B) IT WOULD MAKE THE BEST USE OF EXISTING SKILLS AND OF SPECIALITIES
THAT ARE IN SHORT SUPPLY.

(C) IT WOULD LEAD TO A SOMEWHAT LARGER RESPONSIBILITY FOR RESEARCH
BY THEERS, WHICH IS IN KEEPING WITH ITS CENTRAL FUNCTIONS. HOWEVER,
THIS PROPOSAL NEED NOT AFFECT THE DIVISION BETWEEN BASIC AND OPERATIONAL
RESEARCH.

IV. STAFF SAVINGS

SINCE THE DPS HAS BEEN UNDER PRESSURE FOR YEARS TO TAKE ON NEW FUNCTIONS
WITHOUT INCREASING ITS STAFF, I DO NOT SEE ANY SIGNIFICANT
POSSIBILITIES FOR SAVING STAFF WITHOUT ELIMINATING PROGRAMS OR
SERVICES. ANY FURTHER REDUCTION IN ERS WOULD PROBABLY HAVE TO COME
IN AREAS SUCH AS DEBT AND COMMODITIES WHICH ARE PRIMARILY SERVICE
ACTIVITIES TO THE REGIONS.

THE REALLOCATION OF STAFF FROM DPS TO OPERATIONS WILL IN ITSELF REDUCE
THE BANK'S RESEARCH CAPABILITY BECAUSE LESS OF THEIR TIME IS LIKELY
TO BE DEVOTED TO RESEARCH. ANY FURTHER REDUCTION WOULD JEOPARDIZE
THE STATED OBJECTIVE OF MAINTAINING THE BANK IN A LEADERSHIP ROLE IN
DEVELOPMENT RESEARCH.

IN MY ABSENCE, I WOULD HOPE THAT BEVAN WAIDE COULD PARTICIPATE IN
ANY FURTHER DISCUSSION OF THIS SUBJECT BY THE MANAGING COMMITTEE.

REGARDS

CHENERY

PLEASE NOTE: UNDER (C) LINE 2 SHOULD READ '' BY THE ERS...''

Q

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OVER.....

OFFICE MEMORANDUM

TO: Messrs. Ernest Stern and Munir P. Benjenk DATE: May 20, 1982
FROM: Hollis B. Chenery *HBC*
SUBJECT: World Development Report 1983

1. I would like to bring you up to date on the arrangements being made for next year's World Development Report, which will have to be produced to an unusually tight schedule in order to adhere to the June publication date. I have discussed these arrangements with Mrs. Krueger who agrees with them.
2. The Managing Committee's choice of theme - "Managing Development" - was well received by the Executive Directors at the Board seminar which I chaired on April 15. It was agreed that an extended outline would be circulated for discussion at another seminar to be held before the summer recess. Pierre Landell-Mills has meanwhile been appointed as the leader of the Core Team, and the work is getting under way (for further details see the attached memorandum from Mr. Landell-Mills).
3. In previous years the Core Team has been given overall responsibility for the exercise, with EPD running the global model and providing other important inputs to parts of the report dealing with the international economy. Given that next year there will be relatively few links between Parts I and II, it seems better to have a clear-cut division of responsibility for the preparatory phase, with EPD responsible for the chapters on the world economy and the Core Team concentrating on the institutional aspects of development. Helen Hughes will exercise supervision over Part I and Peter Wright and Pierre Landell-Mills over Part II, subject to general guidance from me and in due course from Anne Krueger. Mr. Landell-Mills will be responsible for weaving the two parts together into an integrated report, with an outside editor being brought in to assist in the final stages (we hope to get Rupert Pennant-Rea gain).
4. As this year, I think it would be useful to have a Steering Committee to review first the outline and then the final draft before submission to the Managing Committee. I hope that you will both agree to serve again in this capacity, with Anne Krueger replacing me when she takes up her appointment in September.

Attachment

cc: Senior Management Council
Mrs. Hughes
Messrs. Wright
Landell-Mills

HBC/tsa

OFFICE MEMORANDUM

TO: Mr. Hollis B. Chenery

DATE: May 19, 1982

FROM: Pierre Landell-Mills *PLM*SUBJECT: WDR VI

1. The purpose of this memo is to set out some proposals regarding the management of WDR VI which I suggest should be discussed with Mrs. Krueger next Thursday.

Overall Supervision

2. You have proposed that initially yourself and, in due course, Mrs. Krueger would exercise overall supervision, while supervision of Part I would be the direct responsibility of Mrs. Hughes and Part II that of Mr. Wright. Could this arrangement be confirmed?

Steering Committee

3. For each WDR there has been a small Steering Committee established which was responsible for approving the outline and the final draft before submission to the Board and/or Managing Committee. For WDR V the Steering Committee consists of Messrs. Stern, Benjenk and VP(ERS). Is the same arrangement to be adopted for WDR VI?

Advisory Group ("Friends of WDR VI")

4. I propose that we establish an advisory group that will enable us to mobilize knowledge on management both in OPS and in the Regions. Names suggested for such a group include:

Mr. H. van der Tak (OPS)
 Mr. A. Mozoomdar (EDI)
 Mr. A. Habte (African viewpoint and training)
 Mr. C. Hermans (African viewpoint and pioneering work on Thailand)
 Mr. C. Robless (East Asia viewpoint)
 Mr. W. Thalwitz (South Asia Region and Projects staff viewpoint)
 Mr. J. Bronfman (Latin American viewpoint and East Africa Region Projects staff).

5. This list is not exhaustive, but simply suggested for discussion purposes. Those selected would not be supervisory in any way.

6. In addition we might try to identify three or four outside "readers" primarily from the LDCs who might be invited to comment on the outline and, subsequently, on drafts when they are ready. I would be grateful for reactions to this idea.

Timetable

7. My proposal is to prepare a first draft outline by May 31 for finalization and circulation to the Board by June 15. A Board seminar could then be held sometime in July. I suggest that we aim to circulate a first draft of WDR VI by December 24.

Links Between Part I and Part II

8. As Core Team Leader I understand that I have responsibility for coordinating Parts I and II and for the final (editorial) integration of the report. To achieve this I propose that there should be constant close consultation between the Core Team and EPD staff designated to work on Part I. Mr. Agarwala will assist me in this task.

9. The Managing Committee have approved the "approach paper" for Part II as circulated to the Committee on March 25. This paper did not spell out the links between Part I and Part II. I would propose that the central linking theme should be that external finance for LDC development is likely to be very constrained in the 1980s (as discussed extensively in Part I) and hence there is even greater urgency than in the past to ensure available resources are managed efficiently. It would be useful at this stage if some additional linking sub-themes were suggested. However, I see no serious problem in letting Part II stand as a special topic without an intimate set of interconnections between Part I and Part II being necessary.

10. Although the focus of Part II is on the organizational and institutional aspects of management, rather than on major economic policy issues (which after all was the topic of WDR IV), there are important interfaces between development policies and organizational/institutional aspects. What may be theoretically attractive often turns out to be impractical. This is immediately obvious, for example, in the design of tax policy, which is seriously constrained by what can be effectively administered. In particular WDR VI will need to address the difficult question of which policy tools are feasible and to what extent. We will need to discuss the practical limitations, judged by effectiveness criteria, of various forms of administrative interventions (e.g., price controls, foreign exchange budgeting, licensing, credit controls etc.). In the same vein we can discuss on the same efficiency grounds (dissociated from ideological considerations) the division between private and parastatal activities, and the control of natural monopolies.

11. Another issue that arises that may be regarded as straddling Part I and Part II is the measurement of management efficiency. Is it possible to formulate meaningful indices of relative performance that takes into account the multiple objectives of development (not just growth) that can be usefully employed in country comparative analysis?

12. I suggest that consideration be given to commissioning one or two papers on the "link" issues.

Budget

13. The budget for FY83 is at Attachment 1. So far 6 of the Core Team have been identified (including myself). These are listed together with responsibilities and CVs in Attachment 2. The one remaining position on the Core Team has been reserved to work on Part I, together with the EPD staff already designated to work on WDR (Messrs. Fleisig, Blazic, Hwa, and Wen). In addition there will need to be a decision on the use to be made of the consultancy and travel funds.

Consultants

14. We are still in the process of identifying topics that should be the subject of a special study by a consultant. So far we have hired (i) Lester Gordon (Harvard IID) for 60 days to assist in defining our work program/approach and to tap the experience gained by Harvard advisory groups over the years on development management problems; he is also working on a review of budgeting techniques; (ii) Jon Morris, who is a management specialist with deep East Africa experience, to prepare a case study of Tanzania. Professor Glyn Cochrane (Maxwell School), who is on sabbatical at the Bank, is also contributing a study of management issues relating to decentralization and local administrations. Discussions are proceeding with, among others, Professor LeRoy Jones, and Professor Jan Kubes (IMEDE, Lausanne) as possible contributors on the parastatal sector.

15. I see the use of consultants as one means of ensuring appropriate inputs from LDC nationals. In this connection we envisage several country case studies of the ways in which foreign aid and technical assistance, including the requirements of donor agencies have impacted on the recipient government's administrative system. Also Mrs. Hughes has proposed that Mr. Suh Sang Chul be hired to contribute to Part I and I believe he would be helpful for Part II both as a general commentator and to contribute on Korea's experience of managing development. He might also be interested to tackle the issue of how to measure efficiency and performance, as suggested above. The terms of reference for Mr. Suh need to be decided on as soon as possible so that he may plan his time accordingly.

16. The IMF has offered to provide contributions on fiscal administration, budget management and disinvestment. Alan Tait is also hoping to complete soon a study of the growth of the public sector in LDCs which will be very relevant.

17. A tentative list of topics on which working papers might be commissioned is set out in Attachment 3.

Attachments

cc: Mrs. Hughes
Mr. Wright

WDR - Core Group Expenses
(FY82 \$000)

Attachment 1

	<u>FY83 Budget Requests</u>	<u>FY83 Budget Approved</u>
A. <u>Core Group</u>		
Salaries	86.9	86.9
Temporary	46.0	46.0
Overtime	24.0	24.0
Travel	41.0	41.0
Representation	2.0	2.0
Consultants	147.0	147.0
Contractual Services		
- WP Equipment	13.0	13.0
Communications	2.0	2.0
Int. Computing	<u>8.0</u>	<u>8.0</u>
Subtotal	<u>369.9</u>	<u>369.9</u>
B. Publications	1606.0 <u>a/</u>	1606.0 <u>a/</u>
C. Computing	422.0	300.0
D. Salaries: Regions/CPS	<u>184.0</u>	<u>254.0</u> <u>b/</u>
Total	<u>2581.9</u>	<u>2529.9</u>

a/ The FY83 cost represents the costs of two editions, WDR VI and VII, see attached memo.

b/ Includes the equivalent salary of two additional staffyears.

VPERS
4/23/82

WDR VI CORE TEAM

(Responsibilities)

- Mr. Ramgopal Agarwala: Policy making, planning, budgeting and financial management, together with coordination with EPD staff.
- Mr. Richard Heaver: Will collaborate with Mr. Arturo Israel in extracting the Bank's experience of project management.
- Mr. Geoffrey Lamb: The introductory chapter, structure of government issues and political aspects of managing development.
- Mr. Selcuk Ozgediz: Human resource factors: personnel management, training for management, technical assistance, etc.
- Ms. Mary Shirley: Management of state enterprises and other parastatal agencies.



Record Removal Notice

File Title Managing Committee Official Files: Issues Papers - Economic Research Staff (ERS) - Issues papers 82-01 (general)		Barcode No. 1775442		
Document Date N/A	Document Type CV / Resumé			
Correspondents / Participants Ramgopal Agarwala; Richard Alan Heaver; Geoffrey B. Lamb; Selcuk Ozgediz; Mary M. Shirley; Pierre Landell-Mills.				
Subject / Title				
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 Shiri Alon</td><td>Date May 23, 2017</td></tr></table>	Withdrawn by Shiri Alon	Date May 23, 2017
Withdrawn by Shiri Alon	Date May 23, 2017			

POSSIBLE TOPICS FOR WHICH SPECIAL STUDIES ARE PROPOSED

A. Policy Making, Planning Budgeting and Evaluation

1. Data Collection and Information Management: Statistical Priorities Use of Mini-Computers, etc. (Consultant to be identified, possibly 12 SW, Ramesh Chander (EPD) is advising on this)
2. Review of Budgeting Techniques [Lester Gordon and Premchand (IMF), possibly 6 SW]
3. Administrative Constraints to Fiscal Policy [Alan Tait (IMF) and one other, possibly 6 SW]
4. Administrative Problems of Import Licensing and Foreign Exchange Budgeting (Consultants to be identified, possibly 6SW)
5. Review of Experience with Institutional Arrangements for Planning, Programming and Budgeting [Lester Gordon - HIID experience (4 SW); N. Raphaeli - IBRD/UNDP experience; Tony Killick has already completed a study for the Africa Report]
6. Central Monitoring and Evaluation Systems [Peter Bowden ?]
7. Indicators of Efficiency in Managing Development [ERS - L. Westphal's division ?]

B. Parastatal Management Issues

1. Socialist Enterprise Management
A cross-country comparison of Hungarian, Yugoslav and Chinese experience, addressing in particular questions of management and worker incentives, enterprise performance criteria and state controls (Peter Knight advised by Martin Schrenk, Bela Balassa and the China Program Division).
2. Comparative Advantages of Public Enterprises
Circumstances under which PE's perform better than other forms of intervention: (Leroy Jones) Comparison of experience of regulated private monopoly with public monopoly (John Sheehan).
3. Assessing the Performance of Public Enterprises (Leroy Jones)
Information systems, monitoring, establishing performance criteria, evaluation.
4. Divestiture
Rationale, experience, economic and social costs, alternative intervention mechanisms. (Elliot Berg, Malcolm Gillis, U. Texas).

5. Issues Related to Internal Management of PE's

How PE's differ from private firms and why. Implications of different management structures, styles, control environment, production process, attracting qualified managers. (David Brown, BU; Warick, HIID).

6. Financing of PE's - structure and pricing of capital and its consequences for managerial incentives, investment decisions, indebtedness management of working capital, debt control, relation to the budget. (Marko Voljc, IBRD; Malcolm Gillis, U. Texas).

7. Incentives

Problems of motivating managers under different conditions.
(Consultant to be identified.)

8. Review of the Bank's Experience in Assisting Development of DFCs
(Consultant to be identified).

C. Structure of Government Issues

1. Corruption and Management Efficiency (David Gould, Pittsburgh University).

2. Study of Role of Local Authorities, including budgetary issues.
(Prof. G. Cochrane, Maxwell School, Syracuse University).

3. Decentralization: Review of Experience (Profs. John Nellis and Dennis Rondinelli, Maxwell School, Syracuse University in collaboration with UN Center for Regional Development, Nagoya, Japan).

4. Learning Processes in Bureaucracy Ways to make bureaucracies more responsive. (Prof. Korten, Asian Institute of Management).

D. Project Implementation

1. Literature Review of Project Implementation Techniques.
(Consultant to be identified).

E. Aid and Technical Assistance

1. Country Studies of the Impact of Foreign Aid on Recipient Government Administrations.
(Consultants to be identified).

F. Personnel Management

1. Civil Service Systems and Traditions in LDCs: surveying British, French, American, Spanish, Mandarin and other civil service systems; addressing issues of accountability, politicization, professionalization, fragmentation, flexibility, etc. (Possible contributors: Frank Sherwood - Federal Executive Institute, Charlottesville; Phillip Morgan - Indiana University, Ferrel Heady, University of New Mexico.)
2. Compensation, Motivation and Incentives in the Public Sector: comparison of public-private compensation practices; motivators in developed and developing countries; cultural and behavioral issues. (Possible contributor: Phillip Mawhead, Birmingham University.)
3. Techniques and Processes of Personnel Management: critical review of position classification, performance appraisal and other personnel management techniques and practices in LDCs; are they counterproductive, if so, what can be done; examples of successes and failures. (Possible contributor: Tri Nguyen, American Society of Public Administration.)
4. Administrative Reform and Personnel Policy in LDCs: review of past administrative reform attempts, cases of success and failure; appropriate entry points; policy capabilities in LDCs in the personnel management area. (Possible contributors: UN - Development Administration Division.)
5. Organizational Behavior, Dynamics and Development in LDCs: implications of organization theory for managing public sector units in LDCs; role of cultural factors in designing and managing organizations; roles of leadership, patterns of social relations, and attitudes. (Possible contributors: Rudi Klauss - National Association of Schools of Public Administration; Michael Harmen - George Washington University; Tavistock House, London.)
6. Review of Different Approaches to Management Training: a critical analysis of initiatives in the field of management and public administration training over the past two decades (to be undertaken under the supervision of the Education Department, OPS).