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Dates: 1/1/1977 - 12/31/1978

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ISAD Reference Code: WB IBRD/IDA DEC-01-05

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R.A.P. Income Distribution & Employment
1977-78 (5)



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OFFICE MEMORANDUM

TO: Members of the Research Advisory Panel
on Income Distribution and Employment

FROM: Orville F. Grimes, Jr., VPD *OG*

SUBJECT: The Research Committee: An Informal Early History

DATE: October 10, 1977

1. This memorandum outlines the rationale and origins of the Research Committee, established in April 1971 to guide the conduct of research in the Bank. While the coverage is selective and treatment of each topic is brief, this account may provide a basis for more detailed discussions with participants in the events described.

Antecedentsa. 1968 Review by Orcutt

2. One of the earliest reviews of Bank research, prepared by Professor Guy Orcutt in 1968, took the view that the Bank should be doing a great deal more research than it was then doing. A five-year target budget of \$10 million per year was recommended as both feasible and "as small as should be considered reasonable." "If the Bank doesn't have the responsibility, the resources, and the opportunity to carry out and promote (inductive and applied research along with needed research tool building), then who does?" ^{1/} In its simplest form the principal contention of the paper appears to be that (a) the Bank needs knowledge to formulate intelligent policy; and (b) research can supply that knowledge.

3. Another suggestion of the Orcutt review was that since research in the Bank was then scattered among Area, Project, and Economic Departments, there was need for further consolidation of research activities. One wonders whether this conclusion followed from a more all-inclusive perception of research than was (and is) generally accepted in the Bank, in which the analytical work of operational units is regarded more as support of country programs and projects than as research. Already, in fact, most staff engaged in research on the narrower definition had been grouped in departments which devoted a significant portion of their resources to research. This paper called attention to the inefficiencies from duplication of effort, failure to

^{1/} Guy H. Orcutt, "Research and the World Bank," May 6, 1968, p. 10.

initiate research on high priority topics, and inadequate contact with users among departments conducting research. However, it seems to have contributed little to later attempts to coordinate research on a Bank-wide level.

b. Economics Department Research Committee (1969)

4. A subsequent attempt to improve the coordination of research was the formation in January 1969 of a Committee of nine members, drawn mostly from operating departments, to advise on the research program of the Economics Department of the Central Economic Staff. Chaired by Andrew Kamarck, the Economics Department director, this Committee was established so that operational departments would "...be familiar with the (Economics Department research) program and make a contribution to its periodical assessment and to the general direction of the research effort." Responsibility for planning and carrying out research remained with the Economics Department.

5. Though such a judgment is undoubtedly easier with hindsight, it seems evident that given its mandate as an advisory rather than a review body, the success of the Economics Department Research Committee depended critically on the quality (particularly the level of detail) of the documents it was asked to examine. In the event, the Committee met three times during 1969 to discuss the future research programs of individual Divisions. These were presented as a series of brief statements about the need for research on selected topics. On this basis Committee members found it difficult to comment in depth on specific proposals, and on probably more than one occasion, "questions regarding the details of methodology and content were raised, but the Committee felt this should be left to the researchers to decide." ^{1/} Advice to the research sponsors thus consisted primarily of requests to give more weight to some topics and de-emphasize others. Little scope could have been expected for setting down guidelines on how the studies could have best been carried out.

^{1/} Review of research program of Economics of Industrialization Division, July 29, 1969, p. 3.

c. Pearson Commission Report (1969)

6. During this period the report of the Pearson Commission was issued. It suggested that multilateral lending agencies should begin to finance research projects on a larger scale than hitherto, and recommended that the World Bank (as well as the Regional Banks) "pay greater attention to problems of research and development in their country studies and should themselves identify needs for scientific and technological research. Increased involvement in, and support of, such research activities will considerably strengthen the capacity to formulate projects in agriculture, education, and urban services, which take full account of the specific needs of the country." 1/

d. Review of Progress (Balassa, 1971)

7. In October 1970 Hollis Chenery was appointed Economic Adviser to the President and initiated a review of the research program. A comprehensive review ("Economic Research in the Bank," January 1971, prepared by Bela Balassa) went beyond previous efforts by suggesting that individual research projects be appraised in terms of their relative costs and benefits, describing the requirements of a coordinated research program, and evaluating each of the studies undertaken in the Central Economic Staff. Employment, planning, trade policy, and other new areas of inquiry were proposed to the two research departments (the Development Research Center and the Economics Department) with a comparative advantage in their design and execution. These departments would prepare research proposals which should have the support if not the active participation of operational departments, which would also participate in the selection and review of proposals and in evaluation

1/ pp. 205-206

of completed research. 1/ The report concluded that "Responsibility for setting research priorities, approving the overall research program, and establishing a review process on research should be entrusted to an Economic Research Committee chaired by the Economic Adviser to the President." 2/

Research Committee: Scope of Activities

8. This section briefly describes the birth and early development of the Research Committee, and touches upon its subsequent evolution. The coverage is limited to a few themes raised when the Committee was established and dealt with at various times during its formative period. Since these themes are also taken up in the successive Annual Reports on Bank research, especially the last two, the discussion does not extend much beyond early 1974.

a. Objectives and Purpose

9. Consistent with the recommendation of the Balassa review, a Bank-wide Research Committee was established in April 1971. A general set of guidelines was prepared in Mr. Chenery's memorandum of March 1971 (Annex 1); these were subsequently adopted by the Committee. While in size

1/ p. 22. Research departments of the Central Economic Staff were encouraged to improve cooperation with each other as well as with operational units. An illustration cited in the report was the Basic Research Center (now the Development Research Center), established in 1969, whose major research projects in the first 18 months of operation were undertaken by outside academics. The work of the Center "has to be made more relevant for the Bank's operational activities. This could be accomplished by involving the operational departments in the choice and the implementation of the research projects, by establishing close cooperation between the Center and the Economics and Economic Program Departments, and by making the Center's research program an integral part of the overall research program of the Central Economic Staff." (p. 20).

2/ p. 23.

the Committee has remained at roughly 10-12 members, the composition has varied in response to changes in staff responsibilities, attempts to ensure representation of a broad range of departments producing and using research, and the normal succession of staff each serving for about two years. A list of Bank staff who are or have been members of the Research Committee, with their period of tenure, is attached as Annex 3.

10. It was established at the first meeting of the Committee that its terms of reference were to extend beyond the review of project proposals. "There would be broad responsibility for developing an overall research program, setting priorities and, where necessary, initiating research proposals." (minutes of first meeting, p. 2). An implication of this mandate was that when the administrative arrangements for the research program were in full operation, the Research Committee would review and advise the Chairman on all major studies undertaken with Bank resources. The Committee would consider proposals within a long term program of research, whose estimates of cost would serve as the basis for a yearly review of research and for budget allocations.

11. In its early deliberations the Committee further made a rather careful distinction between research undertaken inside the Bank and that contracted to outside analysts. A note on the role of development research in the Bank discussed at the first meeting of the Committee indicated that at a later date an external committee on development research was also envisaged, to advise on overall priorities and on relations with outside research groups. 1/

12. An informal panel of outside advisers 2/ had met in December 1970 to discuss alternative means for the Bank to coordinate research with agencies in developing countries.

1/ This proposal was discussed with Mr. McNamara at that time, but the establishment of external panels was deferred until programs in the major areas had been in operation for a reasonable period. The first panel (on population) was set up in 1975.

2/ Messrs. G. Ranis, M. Bruno, C. Diaz-Alejandro, W. Falcon, D. Hopper, B. Minhas, T. Watanabe.

This was followed by a conference of directors of research and training institutes in Belgrade (August 1972), jointly sponsored by the OECD Development Centre and the Bank, in which many of the papers presented had been prepared by Bank staff or under Bank auspices. ^{1/} However, as it became clear that projects, even though carried out by others, required at least a critical minimum of Bank design and supervision, the distinction between in-house and outside research became less meaningful.

13. In the first year of operation both the objectives of the Committee and the criteria by which it judged proposals were further clarified. Its functions were seen in May 1972 as (a) recommending an overall research budget and allocating the resources among different subject areas and individual projects; (b) recommending total staff resources to be devoted to research and the distribution within the Bank required for the successful implementation of the research program; (c) monitoring the implementation of such other research objectives as involvement of developing country institutions, liaison with academic institutions and coordination of research with other agencies; and (d) evaluating the Bank research program and individual research projects.

14. The following criteria for consideration of proposals were established: (i) research design; (ii) priority of the subject; (iii) relation of the project to the sector or the general subject; and (iv) the time in which useful results could be expected. An appropriate balance was sought between studies at the basic vs. at the applied end of the spectrum, those more "risky" or less so, and those yielding useful results over the long term or sooner. As to the extent of participation by outside research institutes, the Committee in a May 1973 meeting recognized that lack of Bank staff limited the progress of research in many areas. While not encouraging the submission of unsolicited proposals from outside, the

^{1/} The other topics were multi-level planning models and decentralized decision making, income distribution and employment, and private foreign investment. Suggestions for improving cooperation among research agencies were made in light of a survey of the priority interests of these institutions by Peter Clark, then a Bank staff member.

Committee decided to accept a limited expansion of research conducted by outside institutes, provided Bank staff participated fully in the design and monitoring and that the proposals were judged against the same criteria applied to research conducted by the staff.

b. Sector Reviews

15. At the mid-year review of the FY73 research program, the Committee recognized that a continuing problem was the absence of a broader, long-term framework within which to consider individual projects. One outcome of this concern was the preparation of guidelines for the allocation of funds by sector over the ensuing five years, which were later set out in the first Annual Report on Bank research (November 12, 1973). Another was a series of sector reviews, held from January to April 1973, on the basis of one- or two-year research programs. Attached as Annex 2 are the conclusions of this review, considered by the Research Committee in May 1973, for research on income distribution and employment.

16. At irregular intervals, the Committee has considered overviews of research priorities in particular sectors. A paper on income distribution research discussed at a meeting in March 1975 identified seven categories of research in which the Bank had a potential interest: developing the factual base, developing measures of inequality and social welfare, modelling growth and distribution, modelling a part of the economy, studying isolated relationships, studying the historical experience of growth and distribution, and studying the impact of particular policy instruments. ^{1/} Aside from suggesting that additional work on data collection or modelling should have a clear policy focus, little guidance was provided by the Committee on the relative emphasis to be placed on each of these categories. One suggestion was that a list of policy instruments that influence income distribution should be drawn up, with assistance from country and project analysts, as a basis for determining the relevant topics amenable to research. An issue not yet resolved from this and subsequent reviews of research on education (October 1975) and urban problems (March 1976) is whether

^{1/} M. Ahluwalia, "Income Distribution Research: An Overview of Research Prospects", March 1975.

reviews of this sort tend inevitably to produce a broad menu of possible research categories, perhaps admitting all potential studies on an equal footing, or could instead provide a strategy for setting research priorities or identifying promising projects.

17. Research directions for the Bank and others were reviewed in a much broader context during the conference on social science research held at Bellagio in February 1974 and co-sponsored by the Ford and Rockefeller Foundations, IDRC, USAID, and the Bank. The need for coordination of research activities in the form of consultations and exchange of information led to several programs of exchange of reports and project descriptions among major donors. It was also agreed that networks of research agencies could play an important role in financing and carrying out research in developing countries. Participants accordingly decided to hold smaller meetings of subgroups to exchange information on research priorities in these areas, explore possibilities for joint financing, and improve their awareness of externally-financed research being undertaken.

Attachments

cc: Messrs. Chenery, Balassa, B. B. King

C

THE ROLE OF DEVELOPMENT RESEARCH IN THE WORLD BANK

As the scope of its activities has expanded, the World Bank has taken on a number of new functions, including the conduct of research on development. Hitherto not much consideration has been given to the proper function of research in the Bank or to the role of the Bank in relation to research done elsewhere. The purpose of this memorandum is to suggest guidelines for a systematic program of development research for the Bank.

Relation of Research to Bank Objectives

2. Many activities originally undertaken as incidental to lending are now recognized as proper functions of the Bank as a development institution. These include the preparation of country economic reports and specialized sector analyses, on which the Bank now spends more than \$15 million per year. The Bank also regards institution building and the provision of technical assistance as important additional objectives to the transfer of financial resources. More recently the Bank has recognized the need to support agricultural research in order to increase the technological information available to the developing world. In these and other ways, the Bank is taking increased responsibility for improving knowledge of the development process.
3. While it is recognized that research on a variety of economic, social, and technical questions is required as a basis for development policy, the Bank itself has taken only limited steps to support this activity. Total Bank resources allocated for research -- broadly defined -- in FY 71 were about \$2-3 million, of which less than \$500,000 was for consultants. Hardly any Bank funds are used to finance research institutes in developing countries.
4. A large part of the research financed by the Bank has been geared to acquiring information necessary to design and evaluate projects (e.g. the highway design study and the Indus Basin study). By contrast little work has been done on the general methodology of project appraisal or on the relationship between national policy objectives and project selection. Despite the Bank's interest in the broader aspects of the development process and in the choice of development strategies, research on these problem areas has been scanty -- with some exceptions such as fiscal policy and protection.¹
5. In short, the present research effort is limited, uncoordinated, and lacking in focus. The most useful research undertaken has been

^{1/} Despite the limited resources available, there have been several significant pieces of individual work. (Bela Balassa's survey of Economic Research in the Bank, January 1971).

primarily for the Bank's immediate operational needs. Wide areas relevant to the Bank's broader policy interests have received little attention. No effort has been made to improve the developing countries' ability to undertake research on their own behalf.

Orientation of Future Development Research

6. The Pearson Commission recommended that the Bank should take a more active role in a variety of research fields. So far, the Bank has considered the overall needs of technological research on questions of population and agriculture. A similar examination is needed of the uses of economic and social research, the existing institutions which support and carry out such research, and the proper role for the Bank in this area. It will take time to develop a comprehensive program of action.

7. The Bank should concentrate on those areas where its experience will give the Bank a comparative advantage that can be utilized in research work. The Bank is unique in having accumulated experience on projects, in undertaking country economic missions on a regular basis, and in carrying out policy advisory activities. It therefore has an advantage in project- and policy-oriented research and in utilizing the data made available through its country missions.

8. Beyond this, the absence of special advantage, as well as the need to avoid building up an overly large staff, call for the use of outside researchers. In most cases, cooperative arrangements with research groups would be the appropriate vehicle. The Bank will need some "counterpart" staff to ensure that such research is oriented towards the proper objectives. This will entail expanding the Development Research Center. Some of the functional divisions of the Economics and Economic Program Departments will also be involved. There is a need for the Bank to make better use of the most advanced research techniques and findings in the principal areas of development economics.

9. The first task will be to indicate the major research objectives, the types of research needed to pursue them, the role that the Bank can play in carrying out such research, and the organizational arrangements necessary to ensure that research actually serves these objectives. Among the objectives of a coordinated program, a distinction should be drawn between internal objectives that are directly related to the Bank's activities and external objectives that are indirectly related to them. This is not a rigid distinction since research aimed primarily at external objectives will often provide a basis for improvements in the Bank's work. Conversely, research directly related to Bank activities will benefit the developing countries not only through Bank operations but also by increasing the knowledge of development.

Internal Objectives

- (1) The establishment of a factual and conceptual basis for Bank policies on particular aspects of development: population, resource mobilization, international trade, the use of development programs, etc.
- (2) Support for Bank operations in particular sectors: agriculture, industry, transportation, education, etc.

External Objectives

- (3) Increasing knowledge of the basic development process in areas of particular importance to the Bank, such as development strategies, employment, rural-urban balance, the productivity of capital and of external resources, the transfer of technology, etc.
- (4) Development of institutional capacity for research in the developing countries both to support planning and policy efforts and to increase knowledge of the development process.

10. The principal change from present Bank thinking is to recognize the need to develop and support research institutions in the developing countries which can undertake an increasing share of the empirical research and analysis. Since the quality of Bank economic reports can be no better than the underlying data available and the understanding of the development process in each country, the Bank's own interests would also be served in this way.

11. The external objectives may best be served if the Bank's research activities -- both in-house and sponsored -- are geared primarily to attaining internal objectives because of the gain in relevance and sharpness that will follow. Topics for cooperative research can be selected with these objectives in mind.

Types of Bank Research

Lending-Oriented Research

12. The selection of projects to be financed by the Bank should further the development objectives of a particular country. To attain this goal the Bank should carry out research on the methodology of project appraisal, giving attention to the interdependence of the project, the sector and the national economy. This requires, first, research on the use of shadow prices of foreign exchange, capital, and labor taking appropriate account of economic and social objectives and their application in particular countries.

Second, research is needed in formulating sectoral policies in the framework of an overall development strategy. Third, there is need for research on the relationship of projects with sector. In these areas the Bank should apply existing knowledge and also undertake original research to adapt known techniques to its needs.

Policy-Oriented Research

13. As its role as a policy advisor expands, the Bank needs to clarify some of the major policy issues in development, explore alternative solutions to particular problems and, to the extent possible, unify the practices followed by Area and Projects Departments. Position Papers will be required setting out the relevant alternatives and their respective advantages, to provide for the continuous evolution of Bank policies on particular questions. These position papers should deal with developmental objectives, the choice of policies aimed at reaching particular objectives, and the use of policy instruments.

14. Position papers are as good as the research underlying them. They require research on policy objectives such as growth, employment, income distribution and the trade-off among them; on policy choices such as export promotion versus import substitution, agriculture versus industry and public versus private enterprise; and on policy instruments such as exchange rates, tariffs, quotas, taxes, and investment licensing. Bank research in these fields may range from evaluating the applicability of existing findings to original research undertaken by Bank staff possibly in cooperation with researchers in developed and developing countries.

Knowledge of the Development Process

15. While intimately related to policy-oriented research, the objective of increasing our knowledge of the development process goes beyond the immediate operational needs of the Bank. Such research is nevertheless valuable for the Bank since an increased understanding of the process of development will contribute to improvements in policy-advice and lending activities. This type of research is carried out at universities and research institutes and many gaps remain to be filled before it can be applied to practical problems. Questions like the relationship of population and economic growth, the environmental effects of industrial development, or the productivity of foreign aid have received little attention. Yet answers to these questions can help to improve Bank policies and the selection of projects. This suggests the need for the Bank to systematically explore the implications of research carried out elsewhere.

16. The Bank is in a good position to formulate this type of research project but it may not have an advantage in carrying it out. Thus the Bank should extend contractual support for research done elsewhere. The need to make the results of such external research relevant to the Bank's activities will usually call for cooperative arrangements with the research institute concerned.

Research Capacity in Developing Countries

17. Institution-building in, for example, development banking, highway design, and agricultural planning is a recognized objective of the Bank. But improving the capacity of the developing countries to undertake economic research has received little or no attention. The development of indigeneous research capacity is an important part of the task of improving policy-making. From past experience it can be demonstrated that the Bank's policy-advisory and lending activities benefit directly from the availability of reliable data and other results of indigeneous research.

18. The experience of Pakistan, India, Israel, Chile and Nigeria shows the value of local research groups and the improvements that are possible within as little as five years. In each of these countries small research groups supported initially by foundations have made substantial contributions to the understanding of the development of their own countries, thereby both facilitating a better analysis of their current economic problems and contributing to the broader growth of knowledge of development.

19. While the financing of these institutes is basically the responsibility of the individual countries, the Bank can contribute to their-development through cooperative arrangements and by sponsoring research on problems relevant to a particular country. Cooperative research projects bring direct benefits to the Bank since they facilitate exploring various issues in a comparative framework. In turn, apart from obtaining some additional financing, research institutes in developing countries would benefit from the technical assistance and coordination the Bank can provide.

20. In addition to comparative studies, there is need for research on the experience of individual countries which should be commissioned in cooperation with the Area Departments to ensure that projects enhance the Bank's understanding of a country's economic problems.

21. These provisions would help existing research institutes in developing countries. But they would not contribute to the establishment of new institutes in countries like Turkey, Korea, Tunisia, and the Central American Common Market. It is not proposed that the Bank should finance the establishment of such institutes, since

this can be done more readily by private foundations. But the Bank can play an intellectual and financial role in furthering the development of such institutions once they are launched.

Implementation

22. In order to develop these ideas further and to put them into operation, the following stages are envisaged:

1. Discussion of this memorandum in the Economic Committee and with an informal panel of external advisors who have been invited for this purpose (Professors Ranis and Falcon [U.S.], Hopper [Canada], Diaz-Alejandro [Cuba], Watanabe [Japan], Minhas [India], and Bruno [Israel].)
2. Establishment of an Economic Research Committee in the Bank -- with members drawn from the Central Economic Staff, the Area and Projects Departments, and IFC -- having responsibility to set research priorities, advise on research proposals, and review research results. Interdepartmental research panels should also be formed to evaluate research in particular fields.
3. With the help of the external advisors, the Economic Research Committee will identify promising areas for cooperative research. Topics in the fields of employment, population, agriculture, resource mobilization, the use of planning models and industrial technology have already been identified and are included in the budget proposals for FY 1972.
4. Once the general lines of the Bank research policies have been approved, the establishment of an external committee on development research to advise the Bank on research priorities and on relations with the external research community is proposed.

Hollis B. Chenery
March 15, 1971

(Extract from: "Formulating a Bank Research Program," A. Ray and E. Stern, May 21, 1973)

Income Distribution and Employment

The immediate program of the Income Distribution Division involves preliminary empirical and methodological work. The basic issue in this program concerns the balance between the four areas identified in the DRC discussion paper - i.e., evaluation of data, general policy reviews, quantitative general equilibrium models and project evaluation. No consensus emerged during the meeting regarding the areas of priority. The discussion paper also contains possible elements of a longer term program. Program preparation and the identification of the research options appeared to be strongest in this area among the major areas discussed.

A large part of the FY1974 expenditures will be for completing the Korea and Yugoslavia models (RPO 206) and the Brazil model (RPO 269). As noted during the meeting, large scale projects to generate data may not be suitable for Bank financing but should await, in any event, the necessary background work on the problems of measurability and data interpretation. This is the primary intent of the ECLA and ECIEL projects...and of the Botswana Survey being funded separately.

Research on employment in the Population and Human Resources Division is presently limited to the studies of labor markets and the unemployment survey in Costa Rica (RPO 245, 247). The Belo Horizonte project tentatively approved by the Committee in April is basically a part of RPO 245 and does not extend the area of research involvement. While it may not be feasible with existing staff to undertake new employment research in addition to these studies and the study on public works which it is monitoring, research on the employment aspects of development has no strategy and is weak. Little work seems to be in progress which will yield projects in the next few years. It was suggested during the meeting that a comparative study on the structure and nature of unemployment in different countries would fill a priority need.

In judging the adequacy of the programs of research on income distribution and employment, we note that concern with these areas is beginning to run through most of the research program as a whole. While this is a welcome development, there is no framework in terms of which the intended contributions of the other studies can be meaningfully assessed. There is therefore an apparent need for a broader research strategy, especially in employment, which will give guidance to the preparation of other research projects relevant to these areas.

Research Committee Members

	H. B. Chenery (Chairman)	April 1971 -
Mrs.	I. Adelman	November 1971 - Spring 1972
	H. A. Adler	Summer 1971 - October 1974
	J. H. Adler	April 1971 - Spring 1972
	D. Avramovic	April 1971 - October 1974
		November 1975 - February 1977
	B. Balassa	April 1971 -
	G. B. Baldwin	April 1971 - December 1971
	J. Baneth	Spring 1972 - October 1974
	B. de Vries	October 1974 -
	V. Dubey	November 1975 -
	R. Gulhati	April 1971 - October 1974
	M. ul Haq	Spring 1972 - March 1973
Mrs.	H. Hughes	October 1974 - September 1975
	E. V. K. Jaycox	October 1975 -
	A. Karaosmanoglu	November 1972 - November 1975
	B. B. King (Deputy Chairman)	April 1971 - June 1972
		June 1974 -
	P.-P. Kuczynski	May 1972 - October 1973
		December 1976 - July 1977
	E. Lerdau	October 1974 -
	I. M. D. Little	November 1976 -
	R. Picciotto	November 1976 -
	M. Qureshi	March 1972 - October 1974
	H. Schulmann	May 1972 - December 1975
	E. Stern (Deputy Chairman)	January 1972 - September 1974
	W. Thalwitz	October 1974 - August 1976
	H. G. van der Tak	November 1971 -
	H. Vergin	October 1974 -
	J. Waelbroeck	October 1974 - September 1976
	E. B. Waide	April 1977 -
	M. L. Weiner	April 1971 - Spring 1972
	C. Weiss	November 1971 - Spring 1972
	M. Yudelman	October 1973 - November 1976

OFFICE MEMORANDUM

TO: Mr. Michael Beenstock, EPRPP

FROM: E. Bevan Waide, ASNVP *EW*

SUBJECT: Research Advisory Panel on Income Distribution
and Employment (RAPIDE)

DATE: October 7, 1977

In your memorandum of September 15, you asked for a list of relevant research carried out by ourselves. I attach such a list, put together by my research assistant, and taken from the inventory of work to be found in the South Asia Economic and Sector Work Program. It is possible that you would have liked the net drawn rather more broadly, so could I invite you to refer to the above mentioned (Mr. B.B. King has a copy) and under each country you will find a section listing research that has been undertaken over the past five years.

Att.

INDIA

1. India Division, South Asia Region. Economic Situation and Prospects of India. May 7, 1974. Grey, No. 402-IN. 301 pp. in Vol. I, 146 pp. in Vol. II.
 - a. Reviews Fourth Plan Period.
 - b. Looks at human resources (population, nutrition, health, education, urbanization and poverty and unemployment).
 - c. Reviews Agriculture in Fourth Plan and Targets for Fifth Plan.
 - d. Vol. II is a comprehensive study on the energy sector.
2. India Division, South Asia Region. Economic Situation and Prospects of India. May 8, 1973. Grey, No. 156-IN. 138 pp. Major Issues:
 - a. Review of development effort during the 1960s.
 - b. Rural Scene: food requirements, poverty, the 1972 drought.
 - c. The approach to the Fifth Plan: the development strategy, exports, balance of payments.
3. P.D. Ojna and V.V. Bhatt. Pattern of Income Distribution in India: 1953-55 to 1963-65. 1974. Staff Working Paper No. 360 (Joan Voigt's office). 13 pp.
 - a. Attempts to estimate income distribution patterns in India during 1963-65 using the same methodology used for the period 1953-55.
 - b. Discusses the Industrial Development Bank of India's role in promoting industrialization.
4. K. Jairaj. Shadow Pricing. Some shadow prices for social and economic analysis of projects.
5. Jim Harrison. Study on small farmers and poverty. (Part of 1977 Economic report - under agriculture).

6. Daniel Benor and James Q. Harrison. Raising Farmers' Incomes Through a Professional Extension Service. July 1976. (Draft John Wall's files.) 28 pp. This paper examines five areas of a professional extension service. They are: general problems, including organization, coverage, training and duplication; reforming extension - basic guidelines; and reforming - method of operation; physical and personnel requirements and the impact of intensive extension.
7. Kalpana Bardhan. A Survey of Research on Rural Employment Stages and Labor Markets in India. May 1976. Draft (John Wall's office). 70 pp.
8. Raj Krishna. Rural Unemployment - a survey of concepts and estimates for India. April 1976. Staff Working Paper No. 234 (Joan Voigt's office). This paper presents a framework for measuring rural unemployment and underemployment. It is based on Censuses in India of 1961 and 1971 and the National Sample Survey.

BURMA

1. Development in Burma: Issues and Prospects, Annex I - Human Resource Development: Problems and Priorities. July 27, 1976. Green. 19 p. Presentation of demographic data including labor force, unemployment, and income level and distribution statistics. Factors affecting population movements are explored. Alternatives for easing unemployment through small scale rural industries and public works programs are proposed. Improvements in income distribution are noted, reflecting Burma's relatively greater equality compared to other developing countries. Social development is treated in sections on education, health and social welfare. The slowing of educational programs is examined in the light of a weakening economy; the reorganization of health services explored and the pricing of social services discussed.

BANGLADESH

1. B. Kavalsky, et. al. Raising the level of output and employment in small-scale industry in Bangladesh. July 1973. Grey. 100 p. Study discusses problems and prospects of small scale and cottage industries in Bangladesh in light of the new structure of the industrial set-up following independence. Report discusses the required balance in the industrial sector, efficient utilization of existing and creation of new capacity, removal of relative price distortion and institution building.

PAKISTAN

1. IBRD (Cuca et. al). Development of Utilization of Human Resources in Pakistan. April, 1977. White. 122 p. Reviews the status of human resources and programs designed to improve them; population control, education, health. Reviews associated problems of employment and income distribution.
2. ILO. Employment Strategy - Pakistan. 1977. 242 p. Reviews employment situation in general, with emphasis on agriculture and industrial employment in particular, and education and technical training facilities. Examines employment prospects and recommends better manpower planning, increased emphasis on labor intensive investments, better training facilities and more complete data collection.
3. S. Guisinger. Wages and Relative Factor Prices in Pakistan. August 1977. Draft annex to the forthcoming basic report. Details movements in real wages and relative prices between capital and labor.
4. S. Guisinger and Mohammed Irfan. Pakistan's Informal Sector. September 1977. Overview of employment, wages and sources of poverty in the informal sector.
5. S. Guisinger. Urban Poverty and Income Distribution: Data from Rawalpindi. September 1977. Draws on the data from the Socio-Economic Survey of Rawalpindi (1975) to analyse the sources of poverty in a major Pakistani city.
6. N. Hicks. A Note on Long-Term Trends in Income Distribution. September 1977. Draws on National Accounts, census and wage data to examine long-term trends in intersectoral income distribution.

OFFICE MEMORANDUM

TO: Mr. Michael Beenstock, PPR

DATE: October 6, 1977

FROM: Parvez Hasan, ^{MA} Chief Economist, AENVP

SUBJECT: Research on Income Distribution and Employment,
East Asia and Pacific Region.

In response to your memorandum of September 15, I attach a list of Bank research activity since 1972 on countries in our Region. As agreed with you, this list does not incorporate items which have been handled by the Research Committee. Just to be sure that certain items are not overlooked, the list does include, however, important work on the major countries in our Region that has been done mainly or wholly in other Departments of the Bank.

Attachment

WBussink:yc

RESEARCH ON INCOME DISTRIBUTION AND EMPLOYMENT
EAST ASIA AND PACIFIC REGION

INDONESIA

1. P. Visaria: Population, Labor Force and Transmigration in Indonesia. Annex prepared for the Basic Report - White Cover. 1975.
2. Cost of Nutrition in Indonesia and the Poverty Line. Annex III, Appendix 1 to "Indonesia Identification of Transmigration Projects II, III & IV-Report No. 1503-IND -Yellow Cover. 1976."
3. Population, Migration and Rural Development. Annex I to Appraisal of a Transmigration and Rural Development Project - Indonesia Report No. 1119B-IND, 1976.
4. Om Nijhawan: Indonesia - A Poverty Line -White Cover. 1974.
5. S. Gupta: A Model for Income Distribution, Employment and Growth. World Bank Staff Occasional Papers No. 24.
6. Indonesia: Development Prospects and Needs. Basic Economic Report No. 708-IND, 1975. Also Annex A the Macro Economic Framework - White Cover.

KOREA

1. IBRD Economic Reports:
Vol. 1 Report No. 332-KO. 1974.
Report No. 1489-KO. Annex C: Human Resources, Annex D: Macro-Model(Growth, Employment and Income Distribution)1977.
2. Irma Adelman, Sherman Robinson: A Wage and Price Endogenous Several Equilibrium Model of a Developing Country. Factors Affecting the Distribution of Income in the Short-run. October 1975.
3. George Kalu: (1) Estimates of Absolute Poverty Income. 1976.
(2) Estimates of Shadow Prices. 1977.
4. Deepak Lal: Estimates of Shadow Prices. 1977.
5. B. Renaud: Economic Growth and Income Inequality in Korea. 1976.
6. William T. Abraham: Observations on Korea's Income Distribution and the Adequacy of the Statistical Base - White Cover. 1976.
7. Sang Mok Suh: Savings and Demand Composition Effects of Income Redistribution: The Case of South Korea - White Cover. 1974.

MALAYSIA

1. New Economic Policy and Long Term Issues. Chapter III of the economic report on Malaysia. Report No. 217-MA: "Development Problems and Prospects of Malaysia" 1973.
2. Input - Output Analysis of Growth, 1970-80. Annex V of the Basic Economic Report No. 1177a-MA, Volume II. 1976. This input-output model of Peninsular Malaysia examines, inter alia employment implications of growth and the scope for achieving restructuring objectives.
3. Problems of Rural Poverty in Malaysia. A report on rural poverty carried out by the FAO/IBRD Co-operative Program. Report NO. 838-MA - Green Cover. 1975.
4. Agriculture and Rural Poverty. Annex II of the Basic Economic Report on Malaysia. Report No. 1177a-MA, Volume II. 1976. This report briefly summarizes the main characteristics of the agriculture sector and summarizes and evaluates the poverty programs of the Second and Third Malaysia Plans.
5. Muda Irrigation Completion Report. Report No. 795-MA. 1975.

PHILIPPINES

Priorities and Prospects for Development. Basic Economic Report - red cover. 1976, especially pp 27-30, 48-53, 94-99.

THAILAND

Special Report on Employment (under preparation).

AREA-WIDE

P. Hasan: Growth and Equity in East Asia. Challenge and progress - White Cover, 1977.

W. Bussink: Improving the Definition and Measurement of Poverty Income Levels. Memo to W. Baum on poverty lines in East Asia and their comparison. July 16, 1976.

OFFICE MEMORANDUM

TO: Mr. Michael Beenstock, PPR

FROM: Gary Perlin, Economist, EANVP *GP*

SUBJECT: RAPIDE Inventory

DATE: October 4, 1977

Mr. Hablutzel has asked that I transmit to you the information you requested in your September 15 memorandum, concerning this region's research activities in the income distribution and employment fields since 1972. Attached are the lists of relevant activities prepared by Senior Economists in our Programs Departments, which we hope will be of use in the Research Advisory Panel's work. We regret the delay in their transmission.

GPerlin:ebw

Attachment

OFFICE MEMORANDUM

TO: Mr. Gary Perlin

DATE: September 30, 1977

FROM: F.S. O'Brien *FSOB*SUBJECT: RAPIDE

In response to Mr. Hablutzel's memo of September 22, I am furnishing the following list of research studies on income distribution, poverty, employment, migration, etc., carried out on the countries in this department since 1972.

1. Kenya

a. Basic Economic Report on Kenya, January 1974. Annex 2, "Fiscal Policy for Development," Ch. 3, "Fiscal Policy and Income Distribution," and Ch. 4, "Employment and Rural Development."

b. Study of trends in income distribution and of the effects of development on lower income groups, currently being undertaken by consultants D. Lal and P. Collier. Field work was carried out in July-August 1977; report anticipated by early 1978.

2. Sudan

a. Growth, Employment and Equity, report of an ILO/UNDP/IBRD mission, October 1975. See Volume 2, Technical Papers No. 8 (Population, Labor Force and Unemployment); No. 11 (Migration to Greater Khartoum); No. 12 (Urban Labor Markets); No. 13 (The Informal Sector in Urban Areas); No. 20 (Income Distribution).

3. Tanzania

a. A.M. Choksi, A Calculation of Shadow Prices for Tanzania, December 20, 1974. Internal paper applying the Squire-van der Tak methodology to Tanzania.

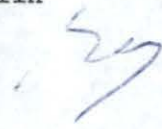
b. P. Collier, Labor Market Allocation and Income Distribution, July 1977. Annex III of Tanzania Basic Economic Report. Estimates changes in income distribution among major rural and urban groups from 1969-75, evaluates effectiveness of various policy instruments on income distribution, and makes policy recommendations.

c. J. Gunning, Income Distribution and Growth: A Simulation Model, July 1977. Annex IV of Tanzania Basic Economic Report. Income distribution model based on Collier (see above). The model projects employment and income distribution among major groups through 1990 under alternative assumptions about future policy.

OFFICE MEMORANDUM

TO: Mr. Gary Perlin

DATE: October 4, 1977

FROM: Willem Maane SUBJECT: RAPIDE

In response to Mr. Hablutzel's memo of September, I am furnishing the following list of studies on income distribution, poverty, shadow wage rates, employment, migration, etc. carried out on the countries of EA2. This is not a complete list. In most of our recent economic reports, or other economic work, some of the topics mentioned are dealt with in one way or another, and our economists usually do some research on the subject before writing about it.

A. Botswana

Basic Economic Report: "Development Strategy in a Mineral-Led Economy", Report No. 735-BT, May 15, 1975. Section on Income Distribution in the Main Report, based on desk study carried out by Mr. Sang Mok Suh. Volume II of the Basic Economic Economic Report gives a macro-model for policy analysis. Wages, migration, employment and rural income distribution feature prominently in this model.

B. Lesotho

(i) Basic Economic Report: "The Economy of Lesotho", Report No. 331a-LSO, June 25, 1974. Contains income distribution estimates based on an agricultural census and an urban household survey. Also contains estimates of rural incomes by various regions based on the same agricultural census.

(ii) "Report of the Migrant Workers Re-Employment Mission", Report No. 614a-LSO, April 3, 1975. Deals with the possibilities of providing labor-intensive employment to migrant workers who suddenly became unemployed.

C. Botswana, Lesotho and Swaziland

Special Economic Report "Migration from Botswana, Lesotho and Swaziland", Report No. 1688-EA, July 22, 1977 (green cover). Deals with labor migration to the Republic of South Africa from the countries mentioned above.

D. Zambia

"Basic Economic Report", No. 1586a-ZA, June 21, 1977. Deals in an interrelated way with all the topics mentioned by Mr. Beenstock.

The econometric model developed for the Zambian economy (to be published as a separate annex) focuses, among other things, on income disparities between urban and traditional agricultural groups.

E. Madagascar

(i) "Economic Memorandum on Current Economic Position and Prospects and Selected Development Issues", Report No. 1099a-MAG, December 20, 1976. Annex IV: "Human Resources' Planning Analyses Manpower, Employment and Income Issues."

(ii) Basic Economic Report "The Economic Development of Madagascar", Report No. 167a-MAG, July 15, 1974. Annex II: "Rural Migration."

F. Mauritius

Basic Economic Report to be issued in grey in October/November 1977. Section in Main Report deals with income distribution. There will be a separate annex on the Development of Human Resources, dealing -- among other things -- with employment, wage levels and incomes policy.

WMAANE:med

OFFICE MEMORANDUM

TO: Chief Economists

FROM: Michael Beenstock, PPR ^{MB}

SUBJECT: Research Advisory Panel on Income Distribution and Employment (RAPIDE)

DATE: September 15, 1977

1. Professor Al Fishlow has been appointed by Mr. McNamara to chair RAPIDE which will appraise and make recommendations on Bank research into income distribution and employment. The Panel members are S. Kuznets, W. Arthur Lewis, G. Sicat, L. Solis and J. Rweyemamu, and it is hoped that the Panel will have its report ready by the end of the year. In order to construct an inventory of research activity (beyond what is reported in the World Bank Research Program) we would appreciate a list of completed or near-completed research that has been carried out in your department since 1972 in the areas of income distribution and employment. Brief resumes would be helpful.

2. Relevant topics might be

- studies on income distribution
- poverty lines
- capital:labor substitution
- shadow wage rates
- employment modelling
- migration
- employment creation

However, this is not an exclusive list.

3. Since the Panel is due to convene at the beginning of October, replies before the end of this month would be most appreciated.

Distribution: Messrs. R. Hablutzel	A.J. Stone
L. de Azcarate	L.E. Westphal
P. Hasan	D.H. Keare
E. B. Waide	
V. Dubey	
J.A. Holsen	
T.J. Davis	

cc: Mr. B. B. King /

Chief Economists

September 14, 1977

Michael Beenstock

Research Advisory Panel on Income Distribution
and Employment (RAPIDE)

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D. H. Keare

cc: Mr. B. B. King

DEDND - Research
on Inc. & Distri.

OFFICE MEMORANDUM

TO: Mr. Michael Beenstock, PPR

DATE: October 4, 1977

FROM: Larry E. Westphal, DEDND ^WSUBJECT: Information You Requested for RAPIDE

As regards formal, Research Committee approved projects, I would guess that the following are the most relevant of the projects under this Division's supervision.

Capital-Labor Substitution in Mechanical Engineering (RPO 670-23)

CAMS Employment Studies (RPO 671-07)

Appropriate Industrial Technology (RPO 671-51)

Marketing of Manufactured of Exports (RPO 671-56)

I have attached the most recent abstracts (as of September 1977) concerning each of these RPO's. For each of these projects, there are of course intermediate outputs not indicated in the abstracts. I would be happy to respond to specific requests for further information regarding individual projects. We can of course immediately send copies of any papers listed at the end of each abstract.

There is one completed RPO which may be relevant, viz Industrial Capacity Utilization (RPO 670-95). A parallel RPO under the Industrial Projects Department also deserves note: Industrial Capacity Utilization in Selected Latin American Countries (RPO 670-25).

As regards studies under other auspices, I would suppose that the following are particularly relevant.

Micro-Analysis of Small-Scale Enterprises (two sub-projects).

1. Mr. G. O'Mara, previously a consultant to this Division and now on the DRC staff, is working to complete revised versions of his studies of small scale enterprises in Malaysia and Brazil: the former makes the use of a specifically designed survey (survey not sponsored by the Bank) to investigate the economic efficiency of various size categories, including firms under ten employees -- it is concluded that firms under ten employees are highly likely to be economically inefficient on the basis of the sample data; the latter uses Brazilian industrial census data by state to examine the determinants of the size distribution of firms.

2. Mr. G. Shepherd, who recently left this Division to go to the West Africa IDF Division, is writing a reflective piece intended for publication based on his operational support work in Malaysia: he is particularly concerned with whether the relationship between large and small enterprises tends to be complementary, competing, or non-competing in particular sub-sectors, and the extent to which small scale enterprises supply the demand of the poorer segments of the population.

Lengthy drafts of each of the above studies can be made available; work is now proceeding toward shorter, final drafts intended for a wider audience. There are no firm deadlines for the latter, since neither staff member now works directly for this Division.

Two papers commissioned under the Urban Poverty Task Group's Action Program (dated October 23, 1975). Under contract, the staff of the Harvard Institute for International Development have completed two papers concerned with the analysis of employment generation in industry using an input-output approach. The papers are "The Employment Impact of Industrial Investment: A Preliminary Report" (Bank Staff Working Paper No. 255, June 1977) and "Employment Patterns and Income Growth" (June 1977). The latter is a reasonably complete and polished draft, but is to be revised one more time; it is largely based on the data assembled for the Leontief World Model developed under UN auspices.

"Policy Interventions Affecting Technological Choices." Under contract, Prof. Charles Cooper (University of Sussex, England) is preparing a paper intended to assess the potential pay-off, in terms of expanding the opportunities for productive employment of the urban poor, of various measures that might be taken in the realm of science and technology policy. In particular, the most recent draft, which is reasonably complete and polished, emphasizes the role of indigenous machinery producers and argues that they be given additional public support through mechanisms specified in the paper; the paper deals in more summary fashion with a broader range of issues, however. A final draft of the paper is expected this November. The most recent draft can be made available.

Review of Micro-Studies of Choice of Technique. A Bank staff member no longer in this Division, Ms. J. Datta-Mitra, has completed a first draft reviewing the micro-empirical investigations of technological choice within particular industries that were published as of about two years ago; the paper focuses on methodological issues to assess the relevance of the then existing micro-empirical investigations to examining the broader questions of the scope for capital-labor substitution within the industry through changes in technique choice. Ms. Datta-Mitra's paper may be considered complementary to RPO's 670-23 and 671-51 listed above. In particular, its revision is to be coordinated with work on the latter RPO. There is no firm deadline for the completion of a final draft, as Ms. Datta-Mitra is no longer in this Division.

You may also consider relevant two forthcoming new-starts in formal research. The first of these is under the direction of Mr. I. M. D. Little and is being considered in the current round by the Research Committee. It is the "Small-Scale Enterprise Development" project. Under this umbrella project, one of this Division's staff, Ms. M. Cortes, will undertake one or more surveys, which will focus particularly on the flow of technology to small scale enterprises. Her concentration on the technological aspects of small scale enterprise development is in further collaboration with Mr. C. Weiss, the Bank's Science and Technology Advisor. Less certain, Prof. Cooper has for some time intended to put forward a proposal to research "The Role of Machine Building in Innovation in Less-Developed Countries," which we have agreed we would sponsor before the Research Committee. A draft of Prof. Cooper's proposal, reflecting a first round of comments within the Bank, can be made available. However, the proposal will undergo further, substantial revision. While we continue intending to go

October 4, 1977

ahead with this proposal, there is no firm deadline as Prof. Cooper's other responsibilities have led to several postponements.

Finally, I should note that much of this Division's work is more or less directly concerned with employment in the industrial sector. I cannot be sure that my judgement regarding which elements of our past and previous work are directly relevant to RAPIDE's purview would agree with yours. For example, I have omitted mention of our previous work on international sub-contracting, and I have equally omitted mention of our project on the sources of industrial growth and structural change (RPO 671-32) which does examine changes in employment within the industrial sectors of the countries covered. Moreover, my list covers only the past three years' activities.

LEWestphal:mm

cc: Mr. Mark Leiserson

Scope for Capital-Labor Substitution in
the Mechanical Engineering Industry

Ref. No. 670-23

The Development Research Center has conducted two investigations of planning methodology in the mechanical engineering industries. These have demonstrated the feasibility of implementing numerically solvable process analysis models of mechanical engineering activities (see Ref. No. 670-24, page). The present study extends this methodology to permit the specification of alternative production techniques and the incorporation of product differentiation. It analyzes the scope for capital-labor substitution in mechanical engineering activities and the extent of substitution between locally produced and imported mechanical engineering products.

The first part of this study is concerned with alternative production techniques for given product specifications. The traditional approach of econometric production function analysis is not employed. Instead, to avoid ambiguities that arise through aggregation, process analysis models based on engineering data are constructed for four products: a specific model each of an electric motor, water pump, distribution transformer, and bicycle.

Each product is decomposed into its components and subassemblies. The production of each component and each assembly stage is further broken down into a sequence of process stages, i.e., elementary operations performed jointly by labor and a single piece of equipment. Alternative techniques, described by engineers' estimates, are then enumerated at each process stage. For given factor prices, including the cost of capital and wages for different skill levels, cost minimization determines the optimal technique for each individual process stage at a particular scale of output. By varying factor prices and output scale, it is possible to construct an isoquant map for each process stage; these maps may then be aggregated to the component, subassembly, or final product level.

This approach may be used to analyze the sensitivity of optimal production techniques to factor prices, economies of scale, joint production and output mix, the sequential nature of production, and the degree of capacity utilization. Initial results indicate that there is substantial scope for capital-labor substitution in the production of these goods. The optimal choice of technique appears more sensitive to

the scale of output than to factor prices, with highly labor intensive techniques being chosen at low scales and highly mechanized techniques at high scales. Moreover, returns to scale are not constant between different output levels, the elasticity of cost with respect to scale varying nonmonotonically between nearly zero and one along output expansion paths. Possibilities for sharing equipment among process stages appear significantly to affect optimal technique choices, with greater sharing generally leading to the choice of more mechanized techniques and substantially reduced costs. Labor skill substitution and the consequences of labor indivisibility are also being analyzed.

The second part of this study is concerned with substitution between domestically produced and imported textile-weaving machinery in the Republic of Korea. This part of the study is also highly disaggregated in order to isolate the effects of labor skill differentials, individual machine characteristics, learning by doing, depreciation and obsolescence, firm organization, and product differentiation. Engineering production functions are estimated econometrically from plant data at the man-machine level in order to establish relationships between inputs and outputs.

In turn, the structure of prices for differentiated material inputs and outputs is determined using hedonic regression techniques so that the impacts of market structure and certain government incentive policies may be isolated.

Technique choices are investigated by simulation to obtain the present value of the stream of net revenues associated with particular machines and product mixes. Results confirm that substantial scope for capital-labor substitution exists in textile weaving, depending on the degree of automation. For most product mixes, domestically produced machinery is optimal if shadow prices are used and perfect competition is assumed. On the other hand, producers have in many cases actually chosen more highly automated imported machinery because of incentives granted by the government, including access to suppliers' credit at lower interest rates, accelerated depreciation, and tariff-exempt imports of machinery. Government incentives in the product markets appear to have altered the mix of products being produced. The hypothesis that producers are profit maximizers is tested and not found to be invalid.

Responsibility: Development Research Center - Yung W. Rhee, in collaboration with Larry E. Westphal of the Development Economics Department, and with engineers at the Korea Institute of Science and Technology.

Completion date: Reports on various parts of the research will be forthcoming through the summer of 1978.

Reports:

Korea Institute of Science and Technology. Final Report on a Study of the Scope for Capital-Labor Substitution in the Mechanical Engineering Sector. February 1973. (F6-400-2)

Rhee, Yung W. and Westphal, Larry E. "A Micro Econometric Investigation of Choice of Technology." Journal of Development Economics (forthcoming).

Council for Asian Manpower Studies (CAMS)

Ref. No. 671-07

The World Bank is supporting a number of the research projects undertaken by the Council for Asian Manpower Studies (CAMS), a regional association of Asian scholars engaged in policy-oriented research on the manpower and employment problems of Asian countries. Formed as a result of a 1971 conference in Singapore on Asian manpower problems, CAMS supports research in the fields of labor supply, education, income distribution, and employment undertaken by local scholars (mostly economists) in the Republic of China (Taiwan), Hong Kong, Indonesia, Republic of Korea, Malaysia, Philippines, Singapore, Sri Lanka, and Thailand. The Bank has supported CAMS research projects in all of the countries listed except Singapore.

A first set of Bank-funded projects focuses on questions concerning the demand for labor. The set includes six separate studies which explore:

1. The effects of economic growth on income distribution, consumption, and employment in the Philippines (through an input-output model)
2. The extent to which the New Community Movement in Korea has affected rural employment and incomes

3. The causes (e.g., high population growth or the low absorptive capacity of agriculture) of Indonesia's unemployment and underemployment
4. Interregional variations in Peninsular Malaysian manufacturing employment
5. The effects of wage and price distortions on employment in Sri Lanka
6. The functioning of the labor market and characteristics of the labor force in interfirm subcontracting in Hong Kong

All the above studies are based on published census and survey data. Some are supplemented by small sample surveys geared to the specific problems under investigation.

The employment implications of different trade regimes are examined in a second set of Bank-funded projects. Two studies examine the role of exports in job creation in Korea and Taiwan, using published data to examine changes in factor intensities and costs as well as in the structural evolution of output and trade. Three other studies - a two-stage project for Thailand and a sequel to the above Korea study - examine export strategies and their employment implications.

A final Bank-funded project, not expected to be completed until 1979, constitutes a "mini-package" of country studies, linked by a common research framework, that analyzes the development in Asian countries of ancillary firms (i.e., firms, usually small, that manufacture parts or provide services for large assembly plants). The Bank is helping to finance the individual country studies in Indonesia, Peninsular Malaysia, Philippines, and Thailand. The project will examine, by means of interviews at the firm level and intercountry comparisons, the economic, social, and technological factors responsible for the development of ancillary firms in selected metalworking industries and will emphasize the employment implications of fostering these firms.

Responsibility: Development Economics Department - Larry E. Westphal. Research is being carried out in the countries concerned by local scholars.

Completion date: July 1979.

Reports

The following reports are available from the CAMS Central Secretariat, c/o Professor J. Encarnacion, Jr., CAMS Chairman, P. O. Box 6, U. P. Post Office, Diliman, Quezon City 3004, Philippines:

Akrasanee, Narongchai. The Structure of Differential Incentives and Effects of Industrialization and Employment: A Case Study of Thailand. 1975.

- Ban, Sung Hwan. Saemaul Undong (The New Community Movement in Korea). 1977.
- Encarnacion, Jose, Jr., et al. Sectoral Employment, Income Distribution and Consumption: A Macromodel with an Input-Output Structure. CAMS Division Paper Series No. 75-05. Diliman, Quezon City: University of the Philippines, 1975.
- Hong, Wontack. Exports and Employment in Korea. CAMS Division Paper Series No. 75-04. Diliman, Quezon City: University of the Philippines, 1975.
- Hsia, Ronald, and Tsuji, A. Subcontracting and Employment Flexibility in Hong Kong. 1976.
- Karunatilake, H.N.S. Price Distortions and Their Effect on Employment in Sri Lanka. 1976.
- Liang, Kuo-Shu and Liang, Ching-Ing Hou. Exports and Employment in Taiwan. 1975.
- Oshima, H. and Hidayat. Growth and Utilization of Manpower in Indonesia. CAMS Discussion Paper Series No. 76-01. Diliman, Quezon City: University of the Philippines, 1976.

Appropriate Industrial Technology

Ref. No. 671-51

Recent studies of capital-labor substitution in manufacturing industries indicate that there is substantial scope for choosing factor proportions in the production of the commodities examined, though it appears that the techniques chosen are frequently not socially appropriate, and sometimes do not minimize production costs (See, for example, Ref. No. 670-23, page).

The objective of this study is to identify and assess the policy instruments available to stimulate the adoption of more appropriate techniques. The result will be to state those policy conclusions that may be reached on the basis of available evidence and to outline an agenda for further research where needed to support tentative policy prescriptions. Policy options for Bank operational departments as well as for developing countries will be covered.

The research will begin with an in-depth review of existing micro studies and other relevant work, in order to summarize what is known about the scope for factor substitution in different types of industries and the reasons why existing appropriate techniques have not been chosen. Among the questions to be addressed subsequently are the following:

1. What are the consequences of adopting appropriate techniques embodied in existing equipment, particularly for employment, labor productivity, and income distribution?

2. How serious are the possible technical constraints to adopting what would otherwise be appropriate techniques? Such constraints include variations in product design and quality, lack of skilled labor, differential management requirements stemming from the characteristics of alternative techniques, and problems encountered in the installation or maintenance of used and indigenously produced equipment.

3. Where technical constraints do not explain the apparent widespread adoption of inappropriate techniques, what does explain it? Here attention will be directed toward the motivations of producers in selecting equipment, possible distortions in relative factor prices, lack of information concerning the availability of different types of equipment, and other likely explanations.

In light of the answers to the above questions, policy options will be formulated and where possible, judgments will be reached on how effectively policy instruments can encourage the use of techniques that promise increased employment at an adequate wage. Policy options for international lending agencies will focus on methods of expanding sources of supply and facilitating the marketing of equipment embodying more labor-intensive techniques. Proposals for policy action by developing countries will also be presented.

Responsibility: Development Economics Department -
Larry E. Westphal. The research will be carried out by Howard
Pack (consultant).

Completion date: September 1978.

Marketing Manufactured Exports

Ref. No. 671-56

Manufactured goods now comprise over 40% of exports other than oil from developing countries and are growing rapidly. For many countries and industries, however, this trend has only recently begun; a great deal more needs to be known about how exports may be expanded. While other Bank research in this area has focused on price incentives, the present study will examine the institutional and other non-price aspects of the marketing of manufactured exports. It is based on a case study of clothing exports in Colombia, which increased from less than \$1 million in 1970 to \$80 million in 1974. The research seeks to identify the main obstacles to the growth of clothing exports in 1970 and the ways in which these difficulties have been at least partly overcome. Particular attention is paid to the marketing of exports from small-scale enterprises, including the role of consortia of small firms.

The study will include interviews with large corporate buyers in New York as well as intermediaries and firms of different sizes in Colombia. The emphasis is on practical problems of organization and information facing suppliers, such as identifying the market, finding buyers, arranging delivery, and controlling the quality of the final product. The role of firm size, institutional arrangements and buyers in solving these problems is also examined, as are initiatives. To understand this situation in its wider dimensions, parallel explorations will be undertaken of the

role of prices, costs, factor use, financing, and policy incentives. The approach will be kept flexible to pursue unanticipated discoveries and shift the balance of effort based on the findings that begin to emerge.

Responsibility: Development Economics Department - Donald B. Keesing. The bulk of the research will be undertaken by David Morawetz (consultant).

Completion date: December 1978.

RAPIDE - Budget
and Funding

ROUTING SLIP

DATE:

NAME

ROOM NO.

Mr. Beenshoek

2441

W. M.

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:

In reference to Mr. King's memo to Mr. Blaxall dated Sept 13 regarding RAPIDE, please fill in the attached form 1335 and return the whole set to me. The commitment number is 20911 and ~~the commitment amount is \$50,000~~. This will be charged to 670-92 EB (contractual services)

FROM:

Alcha Wong

ROOM NO.:

EG05

EXTENSION:

6386

for consults •

for

say me

forms 74

chg to 620.92

10 days ea

OFFICE MEMORANDUM

TO: Mr. J. Blaxall, PAB

DATE: September 13, 1977

FROM: Benjamin B. King, VPD *Bank*SUBJECT: Research Advisory Panel on Income
Distribution and Employment (RAPIDE)

1. This external panel, which was set up in response to the E.D's. desire to have an outside look at research, is now in being and will have to be financed. My suggestion is that, in the first instance, we charge it against the Research Budget (Item 670-92: Conferences).

2. This is, of course, not strictly research; it is more like evaluation. The reason for charging it against the research budget is a pragmatic one; it appears likely that, as long as we have the expected degree of slippage, we should be able to cover it. If, however, we should find ourselves tight, I would ask that P&B be prepared to cover any excess over our budgetary allowance.

cc: Mr. Karaosmanoglu
Mr. Vergin
At. 6003 Mr. Grimes
Mrs. Cleave
Mr. Beenstock

Call Gramer

0444
copy

Commitment No. 20911

1) From per 017
RAPIDE

FORM NO. 75
(1-76)

THE WORLD BANK

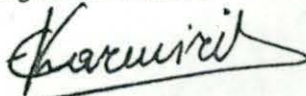
ROUTING SLIP		DATE:
NAME		ROOM NO.
Mr Beustek		2641
	APPROPRIATE DISPOSITION	NOTE AND RETURN
	APPROVAL	NOTE AND SEND ON
	CLEARANCE	PER OUR CONVERSATION
	COMMENT	PER YOUR REQUEST
	FOR ACTION	PREPARE REPLY
	INFORMATION	RECOMMENDATION
	INITIAL	SIGNATURE
	NOTE AND FILE	URGENT
REMARKS:		
<p>In reference to Mr. King's memo to Mr. Biacall dated Sept 3 regarding RAPIDE, please fill in the attached Form 1335 and return the whole set to me. The commitment number is 20911 and the commitment amount is \$50,000. This will be charged to 670-92 EB Contractual Services.</p>		
FROM:	ROOM NO.:	EXTENSION:
Alcha Wong	6605	6386

OFFICE MEMORANDUM

TO: Program Coordinators & Budget Officers

DATE: July 27, 1977

FROM: Lefteris Karmires, P & B



SUBJECT: Contractual Services Reporting

1. As you may know, beginning FY78 the following two basic changes will be made to the contractual services commitment system:

- (a) Relating to the practice of committing. In the past, most of the commitments were established by P & B based on the budgeted amounts for each contractual activity. This practice led to misleading and sometimes erroneous information because the commitments did not represent actual obligations. Attachment 1 is a new form to be used by the departments to establish commitments for expenses which can not be committed through the Purchase Order form or the Consultant-Personnel Action form (Form No. 74). Examples for which this form may be used are commitments for Actuarial Services for the Controller's Department, Bank Analysis for the Treasurer's Department, and External Computing Services for all budget units with external computing budget.
- (b) Relating to the presentation of the data in the commitment report. The concept of the commitment system for contractual services is to establish separate commitment number for every type of contractual activity and accumulate all commitments and expenses of the same activity under this unique commitment number to facilitate a comparison with the budget. Computer programs have now been written and the relevant forms have been appropriately revised to facilitate this grouping. For the time being, Consultants fees chargeable to contractual services (applicable to CPS, ASD, CAD and Personnel) will not be grouped under the unique commitment number mentioned above. These consultants will be reported in a separate page under the contractual services expense category. This reporting procedure will be reexamined in the course of the year to determine whether consultants for the same activity should be grouped under the same commitment number. Attachment 2 is a list of commitment numbers assigned to your Region/Department showing the activities budgeted for contractual services, the organizational unit to be charged, and the commitment number assigned. The details of this table have already been confirmed by you or your responsible staff.

July 27, 1977

2. Please review the instructions in the back of the attached form and establish commitments when necessary. Also, ensure that all obligations for contractual services are covered by an appropriate form (Form 74, Purchase Order form or the (attached) contractual services form No. 1335), which should be prepared as soon as the contractual obligation is created. It is suggested that a form is prepared each time an obligation is created for a non-recurrent (for the budget period) expense, i.e., contributions to development institutions, while a form can be prepared every two or three months for recurrent expenses, i.e., external computing. A number of contractual services forms are enclosed for your initial needs; more forms are available in the stock room.

3. If you wish to revise the table of commitment numbers, please do so by sending us a revised copy of the attached table. Additional numbers, if necessary, will be assigned by P & B. It is, however, suggested that you should try to keep the request for allocation of commitment numbers to a minimum. If you have any questions or comments on the above, please call me (ext. 6288) or Mrs. Wong (ext. 6386).

Attachments

cc: Messrs. English, CTR
Murias, CTR
Perch, CTR
Curtin, ASD
Blaxall, P & B
Jeurling, P & B
Panickaveetil, P & B
Mrs. Wong, P & B

LKarmires:ect

CONTRACTUAL SERVICES COMMITMENT

NOTE: Read instructions on reverse side carefully before completing form.

DEPARTMENT:	PREPARED BY		
	Name:	Room No.:	Extension:

TYPE OF ACTION:

1. Create 2. Change 3. Extend 4. Cancel 5. Delete

DETAILS OF CONTRACTUAL SERVICES COMMITMENT: (Refer to the Table of Commitment Numbers for Contractual Services.)

A. Description:

B. Commitment Number:

EXPLANATION OF THIS COMMITMENT ACTION:

PERIOD COVERED:	COMMITMENT AMOUNT (\$):	CONTRACTOR'S NAME: (If applicable)
From _____ To _____		

PAYMENT TERMS:

SIGNATURE OF APPROVAL:	DATE APPROVED:
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CODED DATA

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COMMENTS BY P&B:

CHECKED:

List of Reports
to RAPIDE

LIST OF REPORTS SUBMITTED TO RAPIDE

September 13, 1977

Books

Sabot, R.H. The Social Costs of Urban Surplus Labour, Paris: Development Centre, OECD, 1977.

Articles

Mazumdar, D. "The Urban Informal Sector," World Development, August 1976.

Mazumdar, D. "The Rural-Urban Wage Gap, Migration and the Shadow Wage," Oxford Economic Papers, Vol. 28, No. 3, Nov. 1976, pp. 406-425.

Working Papers

Burki, S.J.; D.G. Davies; R.H. Hook and J. W. Thomas. "Public Works Programs in Developing Countries: A Comparative Analysis," Bank Staff Working Paper No. 224, February 1976.

Webb, R.B. "On the Statistical Mapping of Urban Poverty and Employment," Bank Staff Working Paper No. 227, January 1976.

Sant'Anna, A.M., Merrick, T.W. and Mazumdar, D. "Income Distribution and the Economy of the Urban Household: The Case of Belo Horizonte," Bank Staff Working Paper No. 237, June 1976.

Linn, J.F. "Economic and Social Analysis of Projects: A Case Study of Ivory Coast," Bank Staff Working Paper No. 253, May 1977.

Policy and Issues Papers

"Issues in Bank Financing of Rural Public Works," Washington, D.C., Development Economics Department, March 24, 1976.

"Rural Public Works and the Bank: Background Analysis," Washington, D.C., Development Economics Department, March 24, 1976.

Development Economics Department. "Development Issues in Rural Non-Farm Employment," Report No. 1577, Washington, D.C., The World Bank, April 15, 1977.

Division Papers

Ho, S.P.S. "The Rural Non-Farm Sector in Taiwan," Studies in Employment and Rural Development No. 32, Washington, D.C., IERD, Sept. 1976.

Bardhan, K. "Rural Employment and Wages with Agricultural Growth in India: Some Intertemporal and Cross-Sectional Analyses," Studies in Employment and Rural Development No. 38, Washington, D.C., IERD, March 1977.

Research Reports

Mazumdar, D. assisted by P. Videt-Yontrakich. "Education and Employment in Urban Malaysia," Aug. 1975.

Barnum, H.N. and Squire, L. "An Econometric Model of an Agricultural Household," Jan. 1977.

Other Reports, Papers and Notes

Sabot, R.H. "Research Proposal: A Comparative Analysis of Rural-Urban Labor Market Interactions," Washington, D.C., May 1, 1975.

Lal, Deepak. "Theories of Urban Wage Structures in Developing Countries," September 1976.

Webb, R. "A Proposal for Research on Urban Labor Markets in Latin America," Dec. 1976.

Linn, J.; Ljung, P.; Squire, L. and Donovan, G. "Economic Analysis of Projects - Second Report on the Implementation Program," May 1977.

Beenstock, M. "Risk, Unemployment and Rural-Urban Migration," Washington, D.C., Employment and Rural Development Division, May 31, 1977.

Bose, S.; Squire, L.; Sabot, R.; Videt-Yontrakich, P. and Bertrand, T. (consultant). "Thailand: Special Report on Employment," Washington, D.C., Employment and Rural Development Division, June 1977.

PAPERS PREPARED FOR THE RESEARCH WORKSHOP ON RURAL-URBAN
LABOR MARKET INTERACTIONS, EMPLOYMENT AND RURAL DEVELOPMENT
DIVISION, DEVELOPMENT ECONOMICS DEPARTMENT, IBRD, WASHINGTON,
D.C., FEBRUARY 5-7, 1976

Collier, P. and Sabot R. "Measuring the Difference between Rural and Urban Incomes: Some Conceptual Issues."

Harris, J. and Sabot R. "Urban Unemployment in LDCs: Towards a More General Search Model."

Lipton, Michael. "Migration from Rural Areas of Poor Countries: The Impact on Rural Productivity and Income Distribution."

Schuh, G. Edward. "Out-Migration, Rural Productivity, and the Distribution of Income."

Schultz, T. Paul. "Notes on the Estimation of Migration Decision Functions."

Stiglitz, J. "The Structure of Labor Markets and Shadow Prices in L.D.C.'S."

PANELISTS -
Names & Addresses

Biographical Notes on Members of RAPIDE

Albert Fishlow (Chairman)

Prof. Fishlow is currently professor of economics with the University of California at Berkeley. He is shortly due to take up an appointment at Yale as professor of economics and Director of the Concilium on International Studies. He was recently an Under-Secretary for Latin America with the State Department, while previously he has held several academic posts.

His publications have been largely concerned with economic development and income distribution. In 1971 he published a controversial article which claimed that in Brazil the distribution of income had become more skewed in favor of the rich.

Simon Kuznets

Prof. Kuznets was born in 1901 and is professor emeritus with the economics department at Harvard. From 1927-1961 he was a member of the National Bureau for Economic Research while filling various chairs at US universities.

His research has focussed on statistical studies of savings, economic cycles, income distribution and growth in recognition of which he was awarded the Nobel Prize in 1971.

Sir Arthur Lewis

Sir Arthur Lewis was born in 1915 and is currently with the Woodrow Wilson School. From 1970-73 he was President of the Caribbean Development Bank, while prior to that he has held academic posts in the US, West Indies and England.

His many publications have been mainly concerned with development planning and economic growth.

Justinian Rweyemamu

Mr. Rweyemamu was born in 1942 and received his doctorate from Harvard in economics. He is currently a personal economic advisor to President Nyerere and holds several important advisory positions in Tanzania. Since 1973 he has been head of the department of economics at the University of Dar es Salaam.

He has been associated with the ILO's World Employment Program. Most of his published work concerns trade and development in Africa.

Gerardo Sicat

Mr. Sicat was born in 1935 and is currently a member of the Cabinet as Minister of Planning in the Philippines. He is also Director-General of the National Economic Development Authority, the main policy-making body in the Philippines. After completing his doctorate at MIT in 1963 he held various positions at the University of the Philippines. In 1970 he was appointed Chairman of the National Development Council.

His main areas of interest and publication are trade policy and industrial development in the Philippines.

Leopoldo Solis

Mr. Solis was born in 1929 and is currently Sub-Director General at the Bank of Mexico and Vice-Minister of Commerce. He has previously been Director of Economic Studies at the Bank of Mexico (to 1970), and Director of the Bureau of Social and Economic Programs at the Ministry of the Presidencia (to 1975). In 1976 he was at the Woodrow Wilson School.

He has published several books about the Mexican economy as well as one entitled "Controversies About Growth and Distribution" (1972).

PANELISTS

(Addresses & Telephones)

1. Professor Albert Fishlow (Chairman)

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University of California
Berkeley, California 94720
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2. Professor Simon Kuznets

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~~Harvard University~~
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3. Sir Arthur Lewis

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4. Mr. Gerardo Sicat

Director-General
National Economic & Development Authority
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Manila, Philippines

5. Mr. Leopoldo Solis

Sub-Director General
Bank of Mexico
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Tel. #(905) 521-0720

Home: Loma de las Flores
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Lomas de Vista Hermosa,
Carretera Mexico-
Toluca, Km. 1511/2,
Mexico 10, D.F.

6. Mr. Justinian Rweyemamu

Office: Office of the Pres.
State House
P.O. Box 9120
Dar es Salaam,
Tanzania

RESEARCH ADVISORY PANEL ON INCOME DISTRIBUTION AND EMPLOYMENT

LIST OF ADDRESSES

Professor Albert Fishlow
Department of Economics
University of California
Berkeley, California 94720
USA

Professor Simon Kuznets
67 Francis Avenue
Cambridge, Massachusetts 02138
USA

Sir W. Arthur Lewis
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Princeton University
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Schedule of Mtgs.

RAPIDE PROGRAM - Monday, October 10, 1977

- 9-10 Panel discussion and meeting with Mr. B. King (Office of the Vice President), Room D461.
- 10-11 Meeting with Mr. Ahluwalia and associates (Development Research Center) and Mr. Ian Little (Development Economics Department), Room D461.
- 11-12 Meeting with Mr. Leiserson and associates (Employment and Rural Development Division), Room D461.
- 12- 1 Panel discussion.
- 1- 2 Lunch with Mr. Chenery and other Bank Staff, 'E' Executive Dining Room #6.
- 2:30-3 Meeting with Mr. Chenery, Room E1239.
- 3- 4 Panel discussion, Room D461.
- 4- 5 Meeting with Mr. McNamara, Room E1227.
- 5- 6 Panel discussion, Room D461.
- 6- 8 Cocktail Party - 'D' Dining Room, Rooms A & B.

SCHEDULE*

<u>Oct. 10</u>	9:00	-	Meeting with Hollis Chenery, Montek Ahluwalia, Mark Leiserson, etc., on characteristics of Research Program on Income Distribution and Employment.
	2:00	-	Panel Discussion
	6:00	-	Cocktails
<u>Oct. 11</u>	9:30	-	Panel Discussion: Quality of Sample Research Output
	2:00	-	Meetings with researchers and users
<u>Oct. 12</u>	9:30	-	Panel Discussion

*as of October 4, 1977

Terms of
Reference

TERMS OF REFERENCE

The panel will focus on:

1. Evaluation of the quality of completed Bank research on income distribution and employment, including work done in the operational divisions.
2. Assessment of the adequacy of internal Bank procedures for selection of research projects and their evaluation.
3. Examination of the usefulness of Bank research activity in income distribution and employment to member countries as well as its articulation with other Bank activities.
4. Consideration of the adequacy of past Bank procedures in its research agenda in this area, its responsiveness to LDC and Bank needs, and what future priorities might usefully be.

List of Assign-
ments

RESEARCH ADVISORY PANEL ON INCOME DISTRIBUTION AND EMPLOYMENT

LIST OF ASSIGNMENTS

Professor Fishlow

The characterization of the Bank's analytical work on income distribution e.g. the modelling of Brazil, Korea, Indonesia. This would cover the methodological and empirical status of this work as well as its orientation in relation to poverty and income distribution. Attention would also be paid to the significance of this work for Bank policy as well as operations, and a statement about research priorities will be provided.

An introduction and overview about the Bank's research on income distribution and employment. This will focus on the 'comparative advantage' that the Bank has in this area as well as a discussion of issues concerned with the interaction between research, operations and policy. This assignment will be performed with Mr. Beenstock's assistance.

Professor Kuznets

A critical discussion of the data on income distribution and an evaluation of how the data have been applied and interpreted in the Bank.

An assessment of the data needs of the Bank regarding the distribution of income plus a statement about priorities in this area.

Mr. Solis

A characterization of the research on rural employment and the 'informal' sector. This would cover the methodological and empirical status of the work as well as its orientation to policy and operations.

A visit to ECLA in Santiago in connection with the project on income distribution data.

Mr. Sicat

A visit to Malaysia to evaluate the usefulness of the DRC's work as seen by the Malaysians.

A visit to Thailand to determine the reaction to the Bank's study of employment in Thailand.

A critical evaluation of the project on capital-labor substitution in construction. This would also derive what lessons, if any, might be learned from the way in which this research was conducted.

RESEARCH ADVISORY PANEL ON INCOME DISTRIBUTION AND EMPLOYMENT

LIST OF ASSIGNMENTS

Professor Lewis

A characterization of the research on employment. This would cover the methodological, statistical and empirical status of this work as well as its orientation in relation to concerns with poverty. Attention would also be paid to the significance of this work for Bank policy and operations. A statement about research priorities will be provided.

Mr. Rweyemamu

An assessment of the Bank's work on poverty measurement and social accounting plus a statement of priorities in this area.

An assessment of the recent efforts to focus on 'basic needs' and the relationship between this approach and previous research initiatives in the context of the policy concerns in the Bank. This would also cover the relationship with the ILO's recent efforts on 'basic needs', as well as an assessment of the relevance of these research initiatives to developing countries.

Mr. Beenstock

A discussion of the organization, selection, execution, evaluation and dissemination of research on income distribution and employment at the Bank. This assignment will be performed with Professor Fishlow's assistance.

RESEARCH ADVISORY PANEL ON INCOME DISTRIBUTION AND EMPLOYMENT

LIST OF ASSIGNMENTS

Professor Fishlow

The characterization of the Bank's analytical work on income distribution e.g. the modelling of Brazil, Korea, Indonesia. This would cover the methodological and empirical status of this work as well as its orientation in relation to poverty and income distribution. Attention would also be paid to the significance of this work for Bank policy as well as operations, and a statement about research priorities will be provided.

An introduction and overview about the Bank's research on income distribution and employment. This will focus on the 'comparative advantage' that the Bank has in this area as well as a discussion of issues concerned with the interaction between research, operations and policy. This assignment will be performed with Mr. Beenstock's assistance.

Professor Kuznets

A critical discussion of the data on income distribution and an evaluation of how the data have been applied and interpreted in the Bank.

An assessment of the data needs of the Bank regarding the distribution of income plus a statement about priorities in this area.

Mr. Solis

A characterization of the research on rural employment and the 'informal' sector. This would cover the methodological and empirical status of the work as well as its orientation to policy and operations.

A visit to ECLA in Santiago in connection with the project on income distribution data.

Mr. Sicat

A visit to Malaysia to evaluate the usefulness of the DRC's work as seen by the Malaysians.

A visit to Thailand to determine the reaction to the Bank's study of employment in Thailand.

A critical evaluation of the project on capital-labor substitution in construction. This would also derive what lessons, if any, might be learned from the way in which this research was conducted.

RESEARCH ADVISORY PANEL ON INCOME DISTRIBUTION AND EMPLOYMENT

LIST OF ASSIGNMENTS

Professor Lewis

A characterization of the research on employment. This would cover the methodological, statistical and empirical status of this work as well as its orientation in relation to concerns with poverty. Attention would also be paid to the significance of this work for Bank policy and operations. A statement about research priorities will be provided.

Mr. Rweyemamu

An assessment of the Bank's work on poverty measurement and social accounting plus a statement of priorities in this area.

An assessment of the recent efforts to focus on 'basic needs' and the relationship between this approach and previous research initiatives in the context of the policy concerns in the Bank. This would also cover the relationship with the ILO's recent efforts on 'basic needs', as well as an assessment of the relevance of these research initiatives to developing countries.

Mr. Beenstock

A discussion of the organization, selection, execution, evaluation and dissemination of research on income distribution and employment at the Bank. This assignment will be performed with Professor Fishlow's assistance.

RESEARCH ADVISORY PANEL ON INCOME DISTRIBUTION AND EMPLOYMENT

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