

Jan 1989

A draft proposal for a New World Bank Development Policy

During recent months I have been considering by what I have learned in my first ^{1/2} years as President of the W.B. I have had a ~~long~~ ^{long} treatment to visit 84 countries, ~~nowhere~~ ^{everywhere} but I and touring worldwide. I have literally visited hundreds of projects, each with former Finance, private sector representation, ~~but~~ ^{members of civil} ~~and~~ ^{and} other stakeholders, from Trade Unions to Religious groups, Foundations to global and local NGO's, Money lenders and bankers, I have also ~~had~~ ^{participated in} and benefited enormously from meetings with other ~~middle~~ ^{middle} class organizations, talking with my up-to-hands contacts and meeting with my local business ^{with} colleagues and the media and Congress in the Regional Banks. Of course I must acknowledge also my many exchanges with members of the UN Family and with bilateral agencies with whom we work continually throughout the world.

Obviously I believe that ^{we and} all of the above groups have contributed enormously to the betterment of mankind and to the improvement in the lives I ~~say~~ in poverty. But the fact remains that ^{many} I feel that the progress is too slow. ~~but~~ still people still living under ¹ for day, with ^{which} ~~which~~ ^{poor} people being degraded or are ~~are~~ a second, with — children out not in school, with 1.5 Bill people not having access to clean water, with 2 Bill not having access to sanitation we cannot be complacent. More than this we must be aware, as 80-90 million people are added annually to our Planet

mainly in the developing world, - 2 billion more souls
by 2050, with too many wars, ^{with} growing inequality between
rich and poor and the distortion of economic and
political tanks from Indonesia to Russia
reduction in ODA — there is much to be concerned about.

I have been considering the changing role of our institution
and its effectiveness. We are fortunate because we have
50 years experience, and involvement ~~from~~
^{including} ~~from~~ the IBRD, IDA, MICA, EDI, GFT We are indeed a
powerful institution that has played a crucial role — we have
a remarkable and extensive ~~area~~^{IP} and ~~area~~ and
efforts in most areas I need never — or at least access to them.
And we are making greater and more effective use of
partners, with those who have more effective skills or
broad reach of resources than we have. We are indeed
moving to be less concerned with countries and a better
partner for the government we serve and the partners ~~we~~
who we work in the international social movements —

In addition I believe we have a better attitude
of our role with the IMF. They have the responsibility
for setting the macroeconomic framework for our client
countries and for surveillance while we have the
responsibility for the structural and social aspects
of development. Obviously these are not two isolated
roles — we must work together, growth and macroeconomic
stability is essential for our work, but we too are
responsible for the IMF. Which country and does not
prescribe in a vacuum. Together we must serve

the hopes and aspirations of the people are score
or we will be achieving our objectives in peace
and stability. Accordingly in setting forth
a new approach toward Policy let me
propose at the outset that - economic and
financial strategies that - seek combinations of
growth with stability are essential (and in this
^{most war wise}
~~we depend on the market.~~) and that appropriate
Trade and payments are crucial - (and here all
work with the W.T.O.) On some areas such as the financial
systems around the world we work together as partners, each contributing
according to the needs & the situation and our available human
resources.
A concept

When I think of a development strategy for
For my own conceptual framework (think of a
country (and regions also) so I would think
of a two part piece of music -

One score which must be played is the
Financial and this I think of as the Article IV
reports of the IMF, the National income accounts,
the Balance of Payments statistics, and all the other
financial analysis which ^{and} at the core of our
current analysis. All of us are used to
quoting GDP statistics, Reserve Balances
of foreign statistics and so on — Based on
this financial analysis we can decide whether a
country is Part I or Part II, IDA eligible

or HIPC eligible - It is the language that from
Ministers find comfortable and it is universal.

The need for a second score

I believe there is a need for a second score
which reflects, more deeply than we have
up to now, an analytical framework that
will present the picture of the financial
and social far better than we have to date
and I believe that the existence of the score
will affect the way we think of our objective
and the way we can all May work -

Let me explain this rather obscur word a
little more. Unlike the feminist analysis which
brings everything together in a contradiction form, we
in the development field tend to think in terms of
programmes and projects rather than a common issue
of strategy. This is not surprising since multilateral and
bilateral aid is ever limited by resources, expense
and reach - the same governments who have the
responsibility of funding it all together, but we
know that not all the goals we have have the
capacity to do so - nor the resources - nor
so often even the will.

We also know that we "play" in the system
but in a game, not accepting to work with

in harmony - with the multilaterals with bilateral
and NGOs, nor private sector nor the UN system,
we certainly work at more ^{than we did in the past} - and we at the Bank
are learning to do so at great speed on particular
programs and projects. ^{But there is still confusion and many ambiguities} But what is missing ^{guides} and
is an overarching framework - a ^{concept} foundation -
which will allow us all to ~~help~~ work together
to the goals of poverty alleviation, environmental
cultural preservation and greater economic
and human equity which are the pre-requisites
of a just and peaceful world -

An approach

I believe we could test an approach which
sets forth a framework measured in two dimensions.

