

**THE WORLD BANK GROUP STAFF ASSOCIATION**

**ORAL HISTORY PROGRAM**

**Transcript of interview with**

**MIRZA BAIG**

**April 14, 1988  
Washington, D.C.**

**Interview by: Charles Ziegler**

**[Begin Tape 1, Side A]**

**ZIEGLER:** April 14, 1988. My name is Charles Ziegler and I have here with me at the Headquarters of the World Bank Mr. Mirza T. Baig, who was the Chairman of the Staff Association during the period 1980-1981 and 1981-1982. Matt, when did you actually join the Staff Association and what initially induced you to become active?

**BAIG:** I joined the very first time that that group of people gathered together to try to develop a staff association.

**ZIEGLER:** This would be in 1971.

**BAIG:** It was--I don't remember when it was. But I think it was the very first meeting of this big group. And we were just exchanging views and trying to figure out how to establish a staff association. And from that point until the time I went on my first overseas assignment I wasn't constantly a delegate, but I was several times a delegate and was interested in the Staff Association. And then when I came back from my first field assignment in Bangkok I became a delegate for my Region. And from there I was elected Chairman for two consecutive terms. And from there I went to Nairobi. And I came back in late 1985 and I have not been directly involved in the Staff Association since late 1985.

**ZIEGLER:** What got you interested in the idea of a staff association or being a member?

**BAIG:** I was always interested in staff concerns and personnel issues and felt I was a sort of people-oriented person. And I think the fear at that time was that the Bank up until then was a very small, very cozy little place. And in the '70s it began to grow rapidly. And people began to fear that the staff needed to speak for themselves. Before, nobody ever cared about it because we were just a very small group and everybody knew everybody else and there were no problems to worry about.

**ZIEGLER:** Everybody realized what the concerns were.

**BAIG:** And, in fact, nobody really thought there were any concerns. It was a very elite group. I joined in January 1963, and if I remember correctly there were about 500 people in the Bank at that time and literally everybody knew everybody. And one never felt that one had to have any protective devices or any rules or regulations. It was a very high class organization. And we were treated in a very high class fashion, and nobody really was worried about personnel issues.

**ZIEGLER:** During your first term as Chairman of the Staff Association, the Staff Association brought its first case before the newly established Administrative Tribunal. In this case the Staff Association took issue with changes made to the tax reimbursement system recommended by the [Alexandre] Kafka Committee [Joint Bank-Fund Committee on Staff Compensation Issues] in 1979. Could you relate some of the considerations

which led to the bringing of this case before the Tribunal? In other words, I think we'd be interested not so much in the nuts and bolts as in the issues themselves. What made the Staff Association think, hey, this is the way we want to go with this, especially in view of the fact that this would have been the first case?

**BAIG:** Yes, yes. There were two main issues. One was the issue of tax reimbursement, the way taxes were reimbursed to American staff members. And the second one was the compensation review system, the merit review system. Now, I must say that I did not start these cases. A lot of the work was done by my predecessor. And I picked up from that. I think that was [Nicolas M.] Gorjestani, Nick Gorjestani. He and his Executive Committee had done a lot of the work in first establishing the Tribunal or getting the Tribunal established and hiring the legal firm to take on these cases and making the preliminary decision to pursue these cases. And I think the actual final decision was made when I took over, but a lot of the work had been done before.

And we felt that--we thought we had at that time what we like to call acquired rights, that through the buildup of certain things going on over several years the staff could assume that those things were part of a person's package of benefits. And both of these new systems that came in, the tax reimbursement system and the way the compensation was handled, which had to do with cost of living increases, were radical departures from the previous system. And we felt that in both cases our real income would be eroded, and we thought that we should try to establish what our acquired rights were--what our real rights were. And these two cases were big enough to do it. Although I must say that the American tax part--and I myself am American so I was part of that--was a small element because only about 25 percent of the staff at that time were Americans. The other issue was the compensation issue: everybody, at least everybody in the Executive Committee and the Delegate Assembly, felt that these were worth taking to the Tribunal.

**ZIEGLER:** Was the outcome of this case regarded as successful by the Staff Association?

**BAIG:** It was successful in a way and unsuccessful in another. To look at the negative side first, it was unsuccessful in that we did not revert to the old tax reimbursement system. A new system was introduced which, by definition, reimbursed less taxes than the previous system. And that was why they changed it, of course, to save money, although we did manage to get a safety net for those staff who had been employed by the Bank before the new system came in. They had a safety net which meant that their actual taxes, the actual taxes they paid, would be fully reimbursed although the device that was used to reimburse taxes was an average deduction system instead of a standard deduction system. But I guess you know all that. So we failed in not coming back to the old system, but we did get a safety net.

On the compensation and on the cost of living increases, we failed there because we did not want our compensation and our merit reviews and the amount of our merit allotments to be based on comparator studies. The Kafka system introduced this whole business of comparator studies. Before, our salaries were increased in line with the Washington

Consumer Price Index, the cost of living index. And, therefore, we never lost--the real value of our salaries was never diminished, and we felt that this new system would cause over time an erosion of our real salaries. And what made this thing even worse was that the Bank changed the proportion of cost of living to merit. Before, almost all of the salary increase was cost of living, at least 75 percent. One quarter was merit. [Alden Winship] Clausen came in and wanted to--or the Kafka thing wanted to change the arrangement. And if I remember correctly, 40 percent would have been tied to the cost of living and 60 percent to your merit. So there was a significant reduction in what we'd been used to. That's where we lost.

Where we gained, and I think this is very important, was that the Tribunal ruled, in their rather voluminous document, that the staff did have what they called "essential rights."

**ZIEGLER:** The Bank staff.

**BAIG:** The Bank staff, which nobody had ever acknowledged before. In fact, prior to this case being brought, the General Counsel of the Bank in a rather extraordinary memorandum written for internal purposes said that the Bank staff had no rights and that the Bank had to observe no laws except the laws which it creates itself. The Tribunal did not accept that. And they said that the Bank does have two different kinds of rights: essential rights which could not be changed without the consent of the staff member, and non-essential rights which were the prerogative of the management to change. And this was a landmark decision, landmark in the sense that nobody had ever defined these rights this way. And we clearly won there. But on the material side we lost.

**ZIEGLER:** In the 1980-1981 Chairman's Report, the question of negotiations with management as opposed to consultations is raised. I know that in the history of the Staff Association the theme of the Association as being a negotiating agent rather than a consultative agent has been a source of controversy. Could you say something about how you saw this issue at the time? As I recall, you raised the point quite explicitly in the Chairman's Report.

**BAIG:** Yes. When this was first raised I didn't really think much of it because whether you call what I was doing and what the Executive Committee was doing with management "consultations" or "negotiations," it was an academic point. That's what I thought at the beginning. And I didn't pay much attention to it. But then these two words took on a life of their own and they became important in and of themselves. The basic premise was that we were not equals dealing with a subject of common concern on an equal footing. If we'd been negotiating and if we had negotiating rights we would have been regarded as equals. The consultation business meant—again, by definition--that management was only required to consult us. And then it was up to them whether they adopted our views or didn't adopt our views.

Whether there's a real difference in practice depends very much on who's doing either the negotiating or the consulting. If you're dealing with people for whom you have respect and whom you think are honorable people and they know that it's in their best interest to

listen to you and in fact to take account of what you say, then there isn't much to it. But if you're dealing with people who are looking for a way not to take account of what you're saying, they can always fall back on the rule that they're only going to consult with you. Then it does become more meaningful. But it was a very strong issue for the Executive Committee, and we discussed this several times in the Delegate Assemblies and the Executive Committee meetings. And we never did, in fact, get anything more than a consultative role.

**ZIEGLER:** I think there's been a lot of controversy over the years over this issue because a good number of Bank staff seem to have this horror of the blue collar connotations of unions.

**BAIG:** Yes, I meant to say that and I'm glad you brought it up. The reason why it didn't mean much to me in the beginning, as I said, was that I never considered--and I still do not consider--the Staff Association a trade union. Concurrent with this argument over consultations and negotiations was an argument as to whether the Staff Association should be a trade union or a professional body of people who want to have their views known. I never agreed to it. I never accepted it. And I never pursued the trade union thing because, as you said--at least as I think you were implying--the Bank staff are not manufacturing people. We're not steel mill workers. We're not automobile workers. We are professional people. And when I say professional I don't mean the artificial distinction between grade this and grade that. A chauffeur and a secretary are just as professional as an economist or an engineer. And I regarded us all as professionals and this was a professional body and was not a trade union. Therefore, I never really sought negotiation rights in the way that a trade union seeks negotiation rights.

**ZIEGLER:** Certainly it's true that even among many, many support level staff there would be a genuine horror of the idea of any sort of trade unionism, also.

**BAIG:** I'm glad to hear that, and I'm sure that's true.

**ZIEGLER:** You were the first Chairman of the Staff Association who was, as a result of the agreement with management, a full-time Chairman. Did you deliberately set out to create any precedents? And would you say that you were able to occupy yourself fully at that point in the Staff Association's history?

**BAIG:** Here I must say, as I did on the earlier occasion for the Tribunal, that I did not introduce the full-time business. The groundwork for this had been laid by my predecessor, and the agreement had been reached in the previous Executive Committee's term. They had managed to get management to agree to the Chairman being released full-time, and I was merely the beneficiary of that. And I thought it was a very valuable thing and in fact a necessary thing. The kind of work that I was doing and the kind of involvement that I and the Executive Committee had, I couldn't imagine doing this on a part-time basis. And I have enormous respect for those chairmen who did extremely valuable work prior to my time, who did it on a part-time basis and had to find the time to do it and concurrently had to do their own professional work. So I was the beneficiary of

this. I think it was necessary. I think it has to continue. And I didn't set out to create a precedent because I consider this to be the new way of doing it. And I assume that all future chairmen would also want to do it this way and, in fact, I think they all have done it this way.

**ZIEGLER:** The workload is such that trying to do both a regular job and the Chairman's job is quite difficult.

**BAIG:** Since we're on this point I'd like to make a passing remark. The downside is that, as the only full-time Staff Association person doing this work, other than the staff assistant and the secretary in the office, you are entirely cut off from your roots. The Chairman of the Staff Association, in a way, is an outlaw. He's an outlaw insofar as he's operating outside the system. If you're doing this part-time you always go back into the system, and your roots are legitimate. You're a regular full-time, 100 percent decent World Bank staff member, except when you do your Chairman's act, you become an outlaw. When you're a full-time Chairman you're a full-time outlaw, and sometimes you tend to feel vulnerable and isolated because you don't have your roots in the organization. So this is the downside of it. But it didn't bother me as such because, again, I had the greatest respect for the kind of people that I was dealing with on the other side. I never felt that I would suffer in any way at all by being a full-time Chairman. And I hope that feeling is continued.

**ZIEGLER:** What you said about an outlaw being outside the system reminded me that it's always struck me as one of the strains of the Staff Association. The Bank, of course, is a very hierarchical organization. And the Staff Association is, in a sense, somewhat of an anomaly in this organization, but a useful one, I think.

**BAIG:** Correct.

**ZIEGLER:** In 1981 the Staff Association undertook to endorse a three-hour work stoppage by staff as the result of the salary decision by the Board [of Executive Directors]. Could you relate what led to this work stoppage?

**BAIG:** Yes, that I believe was the first time there ever was a work stoppage or a strike--whatever you want to call it--in the entire history of the Bank. It occurred because of the decision by management (I think again for the first time) to give a different compensation increase to--I have to use these terms because these were the terms that were used--the professional staff and the non-professional staff. This was as a result of the Kafka exercise which geared our compensation to comparators. This exercise--which was done, in a way, very well but, in another way, was somewhat subverted--pointed to the fact that the higher level staff (they're now called the higher level staff) should get, I think, a 12 percent salary structure adjustment while the support level staff should get a range of, I think it was, between 5 and 9 percent. So there was a clear division between what was then [known as] professional and non-professional. And this caused an enormous uproar among the support staff. A lot of the professional staff sympathized with them, although a

lot did not, because some of the professional staff did feel that the two compensation systems should be separated.

So this was what started the whole ball rolling. And the activity at that time was intense. I vividly remember three mass meetings in the Eugene Black Auditorium where I was facing the crowd and again presenting what the decision was, making my case and making the Staff Association's case, and then having this barrage of questions coming from them.

And what's ironic is that the whole thing could easily have been avoided. Before this actually happened I spent a lot of time shuttling between [Robert S.] McNamara, [Martijn J.W.M.] Paijmans, [Moeen A.] Qureshi and [Ernest] Stern. At that time McNamara ruled the Bank with the advice of two people--three people, actually--Stern and Qureshi officially as Senior Vice Presidents, and Paijmans unofficially as the man on the staff side. I went to each of them several times and I told each of them several times that, "If you believe that there's a justification for this different salary presentation, you just go to the staff and you tell them. You're dealing with intelligent, reasonable people, and if you make an intelligent and reasonable case they will believe you. You just make your case and then trust in their good judgment that they will accept it. And if they don't accept it then you will know why they don't accept it." Except for Paijmans, who wanted actually for this to happen and was very sympathetic, the others were rather arrogant about this.

**ZIEGLER:** McNamara too?

**BAIG:** McNamara was less arrogant than Stern and Qureshi. The position of Stern and Qureshi was that, "Look, we run this bank. We make the decisions. We don't have to explain our decisions to the staff." McNamara never actually said that, but he might have been inclined that way. Paijmans was very much in favor of some management presentation being made, not to the whole staff at one time, but you could have taken what are now the Regions, region by region in the Eugene Black Auditorium. And one of the big three could have made a statement. This was a historical event, the very first time the Bank had made this clear cut between the two staffs.

**ZIEGLER:** It's certainly not the last.

**BAIG:** No, in fact it's continued ever since then.

**ZIEGLER:** And may well happen this spring.

**BAIG:** May very well. "And," I said, "if you don't do this there's going to be a strike and there's nothing I can do about it. In fact, I'm going to support it because I see no reason why you shouldn't do this." And they didn't do it, and there was a strike--although it was a work stoppage because rather cleverly we took one hour of the lunch hour and then two hours after that. You don't have to explain a two hour absence, and the lunch hour you have anyway, although somebody tried to make a fuss about your only having a half-hour

lunch. And so it went off and it was very well handled, I think. I mean, not by me or not by the Executive Committee but by the staff themselves. They behaved impeccably.

**ZIEGLER:** In your view how effective was this tactic of a work stoppage?

**BAIG:** It shocked the hell out of management. This was in the courtyard between the C and D buildings with McNamara and Pajmans looking down from the 12th floor; once in a while you got a glimpse of them. I think it really shocked the hell out of them that the staff would do this. It was very satisfying for me because not only was the support staff out there in full force, but a lot of the professional staff went out. A lot of division chiefs went out. And I wouldn't be surprised if one or two directors were in the crowd somewhere. So it was a unified thing, very well behaved. There was no carnival atmosphere. It was a professional and very well done affair. What the practical results were, who knows? It was a jolt to management. I think they realized that the staff, after a point, would stand up and take some sort of action.

**ZIEGLER:** But this is after the fact. The Board had already voted for this, I believe.

**BAIG:** Yes, although it took place on June 4th or June 5th. And, I believe, the Board either had voted or were about to vote. I honestly don't remember that. It could have been an ex post facto thing.

**ZIEGLER:** So while there may not have been any practical or tangible results there and then, it made management and the Board aware that the staff was willing to stand up?

**BAIG:** Yes, they clearly were made aware of it in rather a dramatic fashion, I think. But again, whether this may have changed their attitude from then on, I don't know. There's no way of measuring that. But I was very satisfied with the results, and I give full marks to the staff for behaving the way they did.

**ZIEGLER:** Some 670 F/I [personnel grades F through I] staff were regraded in 1981 to bring them supposedly into line with the grading mainstream in the Bank. What contribution did the Staff Association make in this process? And how successful was the Staff Association in having its views accepted by management?

**BAIG:** It's hard for me to answer that because the thing had dragged on all together, I think, for about seven or eight years in one form or another. It started. It stopped. It started again and stopped again and finally came to a--staggered to a conclusion. The Staff Association was very much involved in it from the very beginning, and our working groups and task forces and individuals were involved with management a lot of the time on this issue. We worked very closely with Donal O'Hare, who, I think, was the main mover on the side of management, and we spent a lot of time with him. He gave a lot of his time to explaining the way lots of things were happening. And our involvement was considerable. The results were not as good as we had hoped. In fact, in many cases they were rather bad, but that was it.



**ZIEGLER:** When Mr. Clausen became President of the Bank in 1981 he was of the view that the existence of the Staff Association was not in the best interest of the institution and that if the Bank were properly managed a staff association would not be necessary. Could you describe what effects this attitude had on the working relationships between the Staff Association and management?

**BAIG:** Considerable effect. I wrote a letter to Mr. Clausen when he was still in California after he'd been appointed, and I congratulated him on his appointment as the chairman of the Staff Association on behalf of the staff. And he sent back a very nice letter from California saying that he looked forward to meeting with us and finding out our views. My guess is that he thought that the Staff Association was a group of people who arranged ping-pong tournaments or picnics for wives or something. When he came on board and he began to hear about us and what we did, then he changed dramatically in his attitude towards us. And his view was that he ran the Bank and he was a very good manager and he would take care of his staff and nobody else need get involved.

Soon after he joined the Bank I had an interview with him. There were Mr. Paijmans, myself, and Mr. Clausen. It was rather a difficult interview or discussion. Clausen clearly expressed his views that we were unnecessary, harmful, destructive.

**ZIEGLER:** Harmful and destructive?

**BAIG:** Yes. And he referred to what we called our war chest because at that time we had collected quite a lot of money to pay all these legal fees, which we were incurring on the Tribunal cases. He said, "What do you want this war chest for?" And Paijmans was trying to introduce some element of equilibrium into this discussion as best he could. And I was trying to make a case that no matter how good a manager he thought he was, we were not a bunch of bank tellers in branch offices of the Bank of America, that we felt we had our views to express and we wanted to express them. And I tried very hard to get the message across that we were both part of the same organization, both working for the same purposes. But he never bought any of that. In fact, one time he said, "I've been a tiger with stripes for 40 years and you're trying to turn me into a leopard with spots and you're not going to succeed." He made that allusion to predatory animals. We sort of broke up, I thought, very dissatisfied and somewhat disturbed about this. And he must have thought that he was dealing with a bunch of renegades.

I was Chairman for the last year of McNamara and the first year of Clausen; they were both equally bad for different reasons. Certainly by the time I'd left I didn't think we'd ever get Clausen on our side or even to regard us as anything other than a nuisance, even though we did have some lunches with him and we had civil conversations with him, but that's about all.

**ZIEGLER:** I was going to ask you if he subsequently modified his views, at least during the time that you were Chairman. I gather he did not.

**BAIG:** Not that I can remember. He sort of regarded us somewhat like death and taxes, that we were there and he better make the best of it. But I never felt that I could ever approach him with any chance of having a sensible result, whereas with McNamara, he also had very strong views but he listened very carefully to what you said, and he appeared to take account of what you were saying, and he was very analytical and always extremely reasonable and very polite and very courteous. So although neither one of them was really somebody whom you could warm to in discussing personnel issues, McNamara was far preferable to Clausen in the sense that we felt that he was in fact listening to us, and if by some chance or by some mistake we said something that he thought was worthwhile, he would then take it on. With Clausen I never got that feeling.

**ZIEGLER:** You mentioned Martijn Paijmans, also. I, as a member of the Executive Committee, dealt with him on a few occasions, and although he may have his own point of view on various issues and he certainly differed from the Staff Association on a number of points, I always got the feeling that at bottom he did buy into the notion that the Staff Association not only existed and had a necessary existence but was a positively desirable thing to have in the Bank despite some very fundamental differences. At the end of the day, yes, the Staff Association was a good idea, in his view. Did that come through to you also?

**BAIG:** Absolutely. I want to say that I had and I still have enormous respect for Martijn Paijmans. This view isn't shared by many people, not even among my own colleagues on the Executive Committee at that time. But I worked very closely with him on a number of issues, and I felt that, as you said, at bottom he was very concerned about staff concerns. He was a very compassionate man. In his own way he tried to be very fair and straightforward although he was literally caught between a rock and a hard place, and within these very difficult constraints I think he acted in a very decent and honorable manner throughout all of my two years of dealings with him. And I always felt that I had a sympathetic ear. On many occasions we fought very bitterly over things he felt strongly about and I felt strongly about. I particularly remember one newsletter that we issued made him so mad that he could barely speak when he summoned me to his office to reprimand me about this. But in spite of all of this, never for a moment did I feel there was any personal involvement. He was a professional doing his job. I was a professional doing my job, and, as you said, many of our concerns were equally shared by him. His problem was how to sell this to his much tougher managers.

**ZIEGLER:** If I recall correctly, Matt, you were the only Chairman of the Staff Association who served two consecutive terms. Could you relate some of the considerations which led you to decide to stand for a second term? Were you a glutton for punishment?

**BAIG:** No, I never really regarded that as being punished, although it's like being in the Army. I was in the Army for three years and it's something I would never do again. I was Chairman of the Staff Association for two years, again something I would never repeat. I felt both experiences were fantastic and extremely valuable to me. I don't know if there was any one reason I ran for the second term. Several people asked me to run. I felt that

some of my competitors who were running against me might not do the things which I wanted to see done. Some of their views were quite different from some of my views. I was very much enjoying the job. And it was hard to resist running again. So I ran again.

**ZIEGLER:** It wasn't one thing.

**BAIG:** No, it wasn't one thing. But when I came to the end of my second year I felt, "Christ, I'd never want to do this again." Two years is pretty draining. Funnily enough, one year is just about enough to get you really excited about it and get you fairly keyed up. By the end of the second year it's, you know--you've had it.

**ZIEGLER:** During your second term, management was busy preparing the "Principles of World Bank Staff Employment." Could you discuss the role played by the Staff Association in this process?

**BAIG:** Yes, we were brought into this at the very beginning. Partly, I guess, because we insisted on it or partly because management thought maybe they had some use for us in it. We had an excellent working group working on this. Ray [Raymond J.] Goodman, who, I think, had retired by that time, came back when I asked him to, and then he was our main representative on that working group.

**ZIEGLER:** Ray Goodman represented the Staff Association?

**BAIG:** Yes, he was part of our working group. Vince [Vincent J.] Riley was on it. He's now the Ombudsman. Some other people whose names I must say I've forgotten at the moment, but excellent people who did a lot of work. Now, I just began this thing. Most of the work was done after I left, because this dragged on for quite a while. But we were very much involved in it, and I think we did some good work on it.

**ZIEGLER:** You mentioned earlier the F/I grading exercise. It was actually carried out during your second term. Could you say a little about the purpose of this exercise as seen from the Staff Association's perspective and describe the role of the Staff Association in it?

**BAIG:** Yes, the F/I group, the assistant level group, were always a very badly treated group. They were in the twilight zone between real support staff and real professional staff. They sort of had a foot in both camps. Many of them were highly motivated, highly educated people. There were Ph.D.s in that group, M.A.s, people who have had years of experience. And they were caught in this artificial trap of being neither fish nor fowl.

The Staff Association felt they had to be mainstreamed somehow. They had to be put in the mainstream of the Bank. We wanted them to be integrated fully into the grade structure and that there not be any barriers to their going from assistant level into the higher level, the professional level, just like we always felt there shouldn't be any artificial barriers to stop a support level staff member from working his or her way up into the higher levels. That was why we got involved. As I said earlier, we were very

much involved in it. We wanted to try to achieve this for them because they were actually an extremely valuable resource for the Bank. They were cheap labor. The Bank was using these people who were, as I say, in many cases fully equal to what is now the 24 or 25 level person. Yet they were in an assistant level position, and we wanted to rectify this.

**ZIEGLER:** The Staff Association circulated a paper in February 1982 which analyzed the F/I grading exercise. In your view what was learned in this exercise both by management and by the Staff Association? And was this successfully applied during the subsequent job grading exercise in 1984-1985?

**BAIG:** What the Staff Association learned, I suppose, was that these are extremely time-consuming and thankless tasks and the results are hardly noticeable. What management learned from it was nothing because they repeated almost all the same mistakes when they regraded the entire Bank staff. We alerted them to this fact. In fact, I think this paper that you referred to mentioned that coming down the road there was a regrading of the entire Bank and, therefore, for god's sake do this one right. We had an extremely good working group on this.

I want to make this point very clear, that whatever we managed to achieve during my two years was fundamentally because of the caliber of the working groups. They're the ones who are the backbone of the Staff Association, and if you have good working groups you can do wonders. If you don't then you're not going to achieve very much. This F/I Working Group, like the Compensation Working Group, which was superb in my judgment, like the legal working group which helped us prepare the Tribunal cases, this F/I Working Group was highly dedicated, very hard working, and they did all they could.

Again, we fell short of many of our goals. We wanted unhindered promotions for F/Is. Those two grades were made into five grades, which just made the situation worse. Many of them were actually demoted. I think 70 percent of them, if I remember correctly, either were or felt they were demoted because of this exercise, which was not what we had expected. The same barriers existed to prevent them from moving into the professional ranks. The same two-for-one switch, which was a budgetary device, meant that if a manager wanted to promote an assistant level person into a higher level grade he had to give up two assistant levels to get that one higher level. It was a purely budgetary device that didn't make much sense. Those things existed right up until the very end. I'm told the whole staff was regraded. In fact, even now, although there's no assistant level group per se, there is a mind set about the grades, I think, 18 to 21, which are still viewed as sort of assistant level grades. They still suffer from lots of the same problems that the old F/I suffered.

**ZIEGLER:** I remember that very well because I'm [a level] 19. So I know.

**BAIG:** Oh, yes.

**ZIEGLER:** We discussed the work stoppage previously which was the result of the application of the new Kafka system or the reaction to the application of the new Kafka

system. What role did the Staff Association play, say, before the Kafka system was established? Were you involved in that at all?

**BAIG:** No, no. When I came in the Kafka system was coming in. In fact it was the first year of the switch between the plain cost of living increase business with very little merit to the comparator system with a lot of merit. And I don't really know what role the Staff Association played previously except to try to ensure that the structural adjustment that we got was in fact equal to the Washington cost of living index so there wasn't any erosion. But my guess is it was a much simpler thing than the post-Kafka discussions, which were horrendously complicated.

**ZIEGLER:** In December 1981 the position of the Ombudsman was established. What role did the Staff Association play in this? At least initially, was this initiative seen as a successful one?

**BAIG:** Well, again we played a large role in that. Gene [Eugene] Webb was the first Ombudsman. He was earlier a Chairman of the Staff Association, an excellent Chairman of the Staff Association. He was chosen jointly by management and the Staff Association to be the Ombudsman. It was my personal view, which was shared by some members of the Executive Committee, but not all, that the Ombudsman should not be an internal Bank staff member, that he should come without any baggage to this job, without any preconceived notions, without any loyalties, without any established likes or dislikes, a total outsider who would only see that what was done was fair from an abstract point of view without being part of the system before--above all, that nothing that he should do as an Ombudsman should affect his future career. Therefore, we established the rule that an Ombudsman's next job would be retirement. He could not go back into the institution.

Now, Gene Webb was an excellent choice. I have absolutely no regrets for having been involved in his appointment. But I still felt that an Ombudsman should be an outside person, although that was never accepted by management. Vince [Vincent J.] Riley is now the Ombudsman and again is an excellent guy for whom I have enormous respect; he's doing a very good job. But I wonder whether an outside man still would not be a good choice.

**ZIEGLER:** In general, we've been discussing more specific topics. I'd like to move to broader topics towards the end of this interview. In a general sense, what sort of negotiating tactics and strategy did you use with management?

**[End Tape 1, Side A]**

**[Begin Tape 1, Side B]**

**BAIG:** I don't think that I had any particular strategy, although there were some members of the Executive Committee who wanted to do this in a really very scientific way. I always felt that if we had a decent case to make and if we were sure of our own position and if we were dealing with--and I keep using these words, but I think they're important words to use--if we were dealing with honorable and decent people on the

other side, we didn't need any tactics. We didn't need any strategy. We made our case, and they made their case, and you came to some sort of a compromise. And I never really consciously adopted any strategy. If strategy means slickness or trickery or trying to be overly smart or overly clever, I never used any of those tactics, and I never thought they were appropriate to use.

**ZIEGLER:** Who were some of the managers with whom you dealt and what sort of working relationship do you have with them? You mentioned that you dealt with Martijn Paijmans at some length.

**BAIG:** Yes.

**ZIEGLER:** And you mentioned Clausen and McNamara. But is there anything else you'd care to add on this?

**BAIG:** I suppose the people I dealt with mostly, at least at the policy making level, were McNamara, Clausen, Paijmans, Reg [Reginald A.] Clarke and [Heribert] Golsong, the General Counsel. I felt my relations with them were all good. I had high regard for them. I didn't regard any of them as being somebody whom I didn't want to associate with, even though, again, we fought bitterly on many issues and we had quite differing views on many issues. I recognized their point of view. They recognized my point of view.

Many people have asked me since I've left whether I feel that dealing with these people and having these fights with them has affected my career, did I have any qualms about doing this at the time? And my answer was absolutely none. Never for a moment did I ever feel that anything that I said or did, no matter how mad it made them, would affect my future career in the Bank. And it hasn't. I don't think that anybody's ever gone back to those two years and said, "You can't promote this guy because of that or this or whatever." I mean, that's never been an influence.

**ZIEGLER:** That's interesting because that's something I've heard numerous other people say, also.

**BAIG:** Again, I'm confining these remarks to the people I dealt with. You have a completely new crowd now, and I've no idea what the current crop of E.C. members or the Chairman thinks about that, but I hope that that feeling is continuing because I think that's very important to maintain.

**ZIEGLER:** During your period as Chairman how did you go about mobilizing staff support? And by this I don't mean organizing a work stoppage. One thing, it seems, has always been a problem of the Staff Association, and that is staff apathy. Now just how involved you want the staff to be is, I think, a real question. But when I say "mobilize staff support," I mean not so much to get them to do something but just to ensure their tacit support of the Staff Association.

**BAIG:** Yes, when I was there, partly because dues had fairly recently been introduced, the dues paying proportion of the staff was very high. In fact, I remember an exercise that I and the staff assistant and the secretary did when we wrote a personal letter to every single staff member who had not paid his or her dues--personal in the sense that we had the right name. The letter was more or less the same. But we picked the individual out, addressed him or her by name, and signed every one of these letters explaining what we were supposed to be doing and asking for their support and asking for them to pay their dues. I think the rate of dues paying when I was there was something like 75 or 80 percent.

Then Clausen came in and tried to knock all the directors and even the division chiefs out of the Association. He didn't want any manager being associated with it. All the vice presidents resigned from the Association. Some of the directors resigned and one or two division chiefs resigned. But a lot of them hung in there because they felt that we were useful and they wanted to be part of it.

**ZIEGLER:** I didn't realize that there was a real pressure from Clausen on senior managers . .

**BAIG:** Absolutely.

**ZIEGLER:** . . to resign the Staff Association.

**BAIG:** Absolutely, yes. Now, mobilizing staff support or staff interest is a very difficult thing. The staff used to come to life quite dramatically at compensation time, but now they don't even do that. So I'm not sure what is called for now. But compensation time was always a heavy staff involvement time. The changing of the presidential guard was a time of staff involvement because they didn't know what was coming along. So any change is sort of a bit frightening to some of the staff. What I tried to do was to keep them informed as much as I could through newsletters, to be very honest with them, not to try to trick them or to talk down to them or to be too clever with them, just told them the facts, to write as many newsletters as I could on as many topics as I could.

**ZIEGLER:** This information--keeping the staff informed you felt was important.

**BAIG:** It's extremely important. In those days we had Delegate Assembly meetings after hours. We always met, I think, from 5:30 to 7:30 or 8:00 or 9:00 o'clock in the evening, depending on how much had to be talked about. On rare occasions we met at noontime for special events. The Delegate Assembly attendance was pretty good. There were always enough active participants in Delegate Assembly meetings to make the discussions very lively and a good flow of information back and forth. The minutes of the Delegate Assembly meetings were always kept and well kept, circulated as widely as possible so that all staff knew what we were discussing in these closed door meetings--which were perceived to be closed door meetings. And that is the trick. Establishing faith or trust with the staff and then keeping them as informed as you possibly can and not feeling that they shouldn't know about these things because then you begin to adopt the

management's point of view: "We will decide and they'll go along with it." I don't think the Staff Association should ever be in that position. They should always be trying to bring the staff along with them in all their decisions. Under Luc [Lucien E.] Moreau, they began putting out a sort of a newsletter . .

**ZIEGLER:** *Staff Matters.*

**BAIG:** . . *Staff Matters*, which was a good idea as long as it didn't go into trivialities. Let me just mention one point. I always resisted getting us involved in trivialities. By trivialities I mean the sort of picnic, ping-pong thing, arranging ski trips, cheap hotel rooms or whatever for excursions. I resisted this strongly. I thought we had to confine ourselves to dealing with serious matters and to be taken seriously by the staff and not be regarded as a sort of peripheral organization doing things that were of entertainment value for the staff and convenient, but not of any real genuine value.

**ZIEGLER:** What do you feel was your greatest accomplishment in the Staff Association? And what would you have liked to have done better?

**BAIG:** My greatest accomplishment was having survived two years as Chairman and I guess that's about it. I can't really say that I accomplished anything dramatic or anything noteworthy.

**ZIEGLER:** It's often difficult to point to dramatic Staff Association work. It's incremental, I think.

**BAIG:** It's a little ironic about the strike. I was regarded by many people as being a very conservative, rather unimaginative, and quiet sort of Chairman. And yet, the only time in the Bank's history that there was a strike was when I was the Chairman.

**ZIEGLER:** There's been at least one subsequently.

**BAIG:** Oh, the one quite recently with Donneve [S.] Rae in 1986.

**ZIEGLER:** Right.

**BAIG:** Yes, yes. Does that qualify as a strike?

**ZIEGLER:** Yes. [inaudible]

**BAIG:** Okay, okay. All right. But up until that time it was the first time in the Bank's history. I don't think that was an accomplishment. I don't regard that as an accomplishment. I regard it as something that had to be done. A rather painful thing, I must say, because I didn't inherently like the idea of professional staff going on a work stoppage. So that doesn't go down as an accomplishment, but it goes down as sort of historic thing. But to answer your question directly, I can't think of any real accomplishment that stands out in my mind.



**ZIEGLER:** What, perhaps, would you have liked to have done better, retrospectively?

**BAIG:** Everything, everything. You never feel that you do anything well enough simply because of the constraints under which you act. You have no decision-making authority. One of the most difficult things for a Chairman to do is to manage his Executive Committee and the Delegates in the working groups because none of them owes you a single thing. You are not their manager. You do not write their AERs [Annual Evaluation Reports]. You do not give them salary increases. They have their own work to do. The only control you have over them is motivating them and making them believe that it's worth doing the job that they do, and with a bit of luck they have some little faith in you. That is all you have going for you as a Chairman.

**ZIEGLER:** Small carrot but no stick, essentially.

**BAIG:** You don't even have a carrot. No carrot and no stick. It's very strange--it's a marvelous management experience because it's probably the only time that anybody ever manages people without having any authority to manage them. It's quite interesting from that point of view.

**ZIEGLER:** Would you leave any particular advice for your successors as Chairman?

**BAIG:** Yes, keep the bad guys in check. That's my main advice. The Staff Association has to be there just to keep management honest. In the old days, the very old days, you didn't need to keep management honest because you felt they were honest. Now the feeling is that the place is so large, it's so fragmented, managers have so many personal hidden agendas, managers fight among themselves at the higher levels so frequently and so divisively that there has to be some outside body not to let them get away with outrageous things--which isn't to say that the current managers of the Bank would do outrageous things if there were no Staff Association. But there must always be a check, no matter how ineffectual that check may actually be in reality if you measure that by production. The fact that the Staff Association is there and that they do write newsletters and that they can talk to the staff in mass meetings and that they can get some of the staff involved in some of their work--this always acts as a brake on management. And I think that's vital. That, I feel, has to continue.

**ZIEGLER:** This sort of leads up to my last question here. What is, in your view, the proper role of the Staff Association? Obviously, you just touched on some elements of that in your last answer.

**BAIG:** The proper role is to represent the highly professional staff of the Bank in a highly professional way, not to adopt tactics of street gangs or trade unions but to make straight forward and honest cases with management and to fight honest and straightforward battles with them without trying to be too clever or too slick. And fundamentally--I go back to what I said earlier--fundamentally just to keep management honest.

**ZIEGLER:** That about covers all the questions I have. Is there anything that we haven't discussed that you'd like to add here at this point?

**BAIG:** No, not really. We've covered a great deal. I want to compliment you on being able to come up with these questions which are the highlights--maybe not the highlights but the most important elements--of my two years. I guess you researched the files to get these things.

**ZIEGLER:** Especially the Chairman's Report.

**BAIG:** Okay. In fact, when you sent me your letter this brought back all these memories, some of which I would have liked to have forgotten in the ensuing period.

**ZIEGLER:** On that, I thank you very much for being part of this project. It's been very interesting talking to you.

**BAIG:** It's nice having this conversation. Thanks a lot, Chuck.

**[End Tape 1, Side B]**

**[End of interview]**