

WORLD BANK HISTORY PROJECT

Brookings Institution

Notes of interview with

NANCY BIRDSALL

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NOTE

The following are notes of an oral interview conducted by the authors of the World Bank's fiftieth anniversary history: John P. Lewis, Richard Webb and Devesh Kapur, *The World Bank: Its First Half Century*, Washington, DC: Brookings Institution Press, 1997. The World Bank Group Archives has neither a full transcript nor a tape of the interview, only these notes that were prepared by the authors after the interview. Nevertheless, the World Bank Group Archives believes that these notes may be of interest to researchers and makes them available for public use.

Presidents matter a lot. [*Robert S.*] McNamara's top down culture still persists in the Bank—not much decentralization as yet.¹

[*Barber B.*] Conable will go down as the “environment and sustainable development” president.

Decade of the 1970's: Basic Needs

Decade of the 1980's: Structural Adjustment

Decade of the 1990's: Sustainable Development

With the last decade the Bank has [seemingly] served notice of not/less heavily discounting the future; it is now arguing that there are no trade-offs between growth and the environment. However, on this issue as well as others [involving a strong thinking about the future] e.g. population planning there is not much intellectual leadership. The extent of influence onto the operations side is still very limited. [This may indicate the inertia the Bank's organization has; obviously the reorganization has not made the translation of the Bank's policy directives into operations a simpler or easier task. On the other hand it could also indicate that the policy was never meant to be implemented too seriously.]

As an analogy it is very difficult to sharply change a large tanker's direction of movement; in particular when it is not growing it means that changes can only be done by reallocation of resources [implying that those that lose resources are bound to resist such moves].

REORGANIZATION.

Recommends a look at the reports of the three task forces on reorganization: PPR [*Policy, Planning and Research*], operations and “others” [?]. The consulting group's influence, she felt, was limited once the reorganization [began?].

The Bank's problems [of limited/no growth and reorganization as “structural adjustment”] have mirrored some of those of the LDC's [*less developed countries*] in the 80s. The shift from investment lending to SAL [*structural adjustment lending*]—see as a bribe to LDC's to induce them to change their ways.

SOME FURTHER SPECULATIONS:

-Golden age of Bank is probably over.

¹ Original notes by Brookings Institution World Bank history project; original insertions are in []. Insertions added by World Bank Group Archives are in *italics* in [].

-Competition with Regional Banks: may be a good thing but clients may play them off against each other [but is that not intrinsic to the very notions of “competition” – surely the Bank does not see restricting competition in economies because customers may play off firms against each other!]

-Bank is a large organization and somewhat [*empty space*] so not it is more flexible on SALs.

-Evolving role of Bank—may be worthwhile to examine the recent MOU [*memorandum of understanding*] between the Bank and the IMF [International Monetary Fund].

Differentiation in lending across regions may reflect the proclivities of the staff manning these regions [rather than explicit policy?]

AFRICA: major restructuring and the Bank’s large role [has meant that] the division is fairly dynamic.

ASIA: pretty much stodgy

LATIN AMERICA: societies are much more open [relative to? . . Africa?] S. E. Asia? South Asia? India?], more complex. More players involved in the decision-making process so Bank has less [relative] influence.

- The energy/influence of the McNamara period is now dissipating [compare opening lines]. There is more decentralization now.

PRESIDENT:

Some of the nuances of changes in the President’s power and how it has been exercised may be captured by examining the evolution of the budget process and the manner in which he is appointed.

Bank’s limited growth has mixed portend:

Good: with less growth, there’s more concern about quality.

Bad: with less growth, less easy to change.

Context in which the Bank operates has changed.

Donors: Decline of U.S. hegemony and multipolar international context with West Europe and Japan emerging as two equally significant actors.

Recipients: Much more differentiation.