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**THE WORLD BANK GROUP ARCHIVES**

**ORAL HISTORY PROGRAM**

**Transcript of interview with**

**GREGORY INGRAM**

**July 7 and November 20, 2006  
Washington, D.C.**

**By: Charles Ziegler**

**Session 1**  
**July 7, 2006**  
**Washington, D.C.**

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

**ZIEGLER:** Today is July 7, 2006. My name is Charles Ziegler, a consultant with the World Bank Group Oral History Program. I have with me here in the World Bank Group Archives Mr. Gregory K. Ingram, with whom I'll be conducting an oral history interview.

Well, Greg, I'm very glad you were able to come here today, especially given the fact you live out of town, but it is very much appreciated that you can join us and participate in the World Bank Group's Oral History Program. To put things in some context, a little bit about your early life and career. And to start, when and where were you born?

**INGRAM:** I was born in Pittsburgh, Pennsylvania, in 1944. I grew up north of Pittsburgh about 20 to 25 miles, in what were then the "exurbs" of Pittsburgh. We actually lived on a farm, which we moved to when I was 11 years old. So I spent my teenage years doing farm chores, and we had a small herd of Hereford cattle. My father was a civil engineer. He worked in Pittsburgh. So the farm was a hobby for him, but it kept us all quite busy.

**ZIEGLER:** You may or may not know, for the last 20 years or so, the Bank has rented a record storage facility north of Pittsburgh in Butler.

**INGRAM:** Butler is the county seat of Butler County. I lived just on the northern edge of Allegheny County, just south of Butler County.

**ZIEGLER:** Can you relate something of your early life and education; I mean, mainly, university and that sort of thing, maybe some formative jobs that you had as a youngster?

**INGRAM:** I went to public schools, public elementary school, and a local public high school. I then attended Swarthmore College, where I received a Bachelor of Science degree in civil engineering. And after that I went to Oxford University and did a B.A. in philosophy, politics and economics—PPE, so called. And then I came back from Oxford and went to Harvard, where I did a Ph.D. in economics. And I basically finished my degree in September of '71, at which point I started teaching.

I was an assistant professor in the Economics Department at Harvard from '71 to '74. In '74, I became an associate professor there. I worked in urban economics and my thesis adviser was John Kain, who was an early analyst in the field. He was an early analyst in urban economics, and he had worked in urban transportation with John Meyer. They had done a very important book in 1965 called *The Urban Transportation Problem*. Given my interest in economics and my background in civil engineering, I actually did transport economics as a special field as a graduate student.

*Gregory Ingram*  
*July 7 and November 20, 2006—Final Edited*

I was hired as a research assistant in my second year, when I was a graduate student, by David Kendrick, who was writing a book about computer models and asked me to read and summarize material on urban modeling. I wrote a paper for him that was a review of the literature on urban models. Then I talked to John Kain about that, and presented that paper to his seminar in urban economics, and ended up doing a dissertation, under his leadership, in urban economics, working on a computer-based model of urban housing markets.

In 1969, after I had done my course work at Harvard, I moved to New York and worked as a research analyst at the National Bureau of Economic Research, which at that time was at 261 Madison Avenue in Manhattan. It had been in New York historically because it had been led by people from Columbia University, Arthur Burns being the notable president of the Bureau in its early years. John Meyer had become president in 1968, and was president for 10 years. In any case, I worked at the Bureau for two years, did this modeling work, and then came back to Harvard.

At Harvard, I taught urban economics for undergraduates, a transportation economics course for graduate students, an undergraduate microeconomics course, and a course in computer modeling. I also did a lot of research on transportation and urban air pollution. Remember, in 1970 the Clean Air Act was passed, requiring that automobile emissions would be reduced by 90 percent by 1975/76.

In '73 I managed a cost-benefit study for the National Academy of Sciences—a cost-benefit analysis of the 1970 Clean Air Act. And the outstanding lesson from that was that the benefits probably exceeded the costs, but the range of uncertainty was huge. I mean, benefits were \$7 billion, plus or minus \$3 billion, and costs were about \$2 billion less. So it was an interesting exercise. I continued to work in that area and then, about '75, I started moving back to work on housing and urban markets.

So, essentially, I was an academic before I joined the Bank. And I was active, did a lot of external research, went out and got grants. I basically was a little profit center for Harvard University because the research grants paid most of my salary and paid overhead to the university, so they made money on me.

**ZIEGLER:** How did you become a World Bank staff member?

**INGRAM:** I got a phone call one day from a person I had worked with at the National Bureau of Economic Research, an economist named Raymond Struyk. His last name is spelled S-T-R-U-Y-K. Ray was then working at the Urban Institute, and he had been approached by Doug [Douglas H.] Keare about taking a job at the Bank. And after a lot of negotiation, Ray decided he really couldn't do it. And he was then asked to help find an alternative. So he called me up one day and asked if I was interested in the Bank. And I said, "Not particularly, but I'm always willing to talk." So I came down to the Bank and met Doug Keare, and learned about what he

had in mind. He was looking for somebody to manage a research project on urban development in developing countries.

So I went back to Harvard and talked to some Harvard colleagues about the idea of coming to the Bank. Of course, Hollis Chenery was at the Bank at the time, whom everybody in the Harvard Economics Department knew, since he had taught there. The view was that if I was working anywhere around Hollis and working with Doug Keare, it would be sensible, but they warned me that the Bank was a risky place. But under those conditions, it would make sense.

So I came down to the Bank, with a two-year leave of absence from Harvard, to run a research project on urban development. This became the project known as the “City Study.” And we looked at Bogota, Colombia, and Cali, Colombia, in great detail.

**ZIEGLER:** Well, you began your career in the Bank in 1977 doing urban research, as you said. Besides that “City Study,” what were some of the significant areas of research that you undertook? That, clearly, was the first one and an important one.

**INGRAM:** It was, and it went on for four years. Let me talk for a minute about that to give you some perspective on it. In 1962, Ray Vernon and Edgar Hoover published a book called *Anatomy of a Metropolis*, which was an analysis of New York City. They came up with a number of hypotheses about urban development. And over the next decade or so, the kinds of techniques and empirical approaches they had used were then extended to other U.S. cities. At first, the view was that their findings were only relevant to New York. And as people looked at more American cities, it turns out their findings were common across most American cities that were examined. And there had been some work in Europe, and with similar results in European cities. The findings were that manufacturing employment decentralizes over time, followed by residences; that trip patterns change in ways that make it more difficult to handle travel with transit, cities become more auto oriented. You end up with employment in the central business district; that requires face-to-face contact, which is, essentially, people in the finance sector, legal profession, and advertising. And the one manufacturing activity that remains in the center city, by the way, is printing. Everything else moves out.

Those kinds of results and empirical regularities were found across all the cities that had been looked at. But everybody “knew,” of course, that cities in developing countries were different. Everybody “knew” that in cities in developing countries the rich people lived downtown and the poor people lived in the suburbs, unlike in the United States. So we went off to do our work in Colombia. And, in fact, what we found were patterns that were very similar to the patterns in the United States. It is not quite the case that the rich people live downtown and the poor people live in the suburbs. In Bogotá and Cali the rich people live in a particular sector of the city and the poor people live everywhere because there is a predominance of poor people in these cities. But we also looked at transport patterns, local public finance, the location of employment, labor markets, and housing markets. We did that in both Bogota and Cali, and we then came up with a set of empirical results, which we published in the early ‘80s.

There has been modest empirical work on such a scale subsequently carried out by the Bank or anybody else. To the extent that there has been additional empirical work, it has tended to confirm the findings that there's really tremendous regularity in urban development patterns. And later on we can talk about an article I wrote, which reviews what have we learned from urban development patterns, when I retrospectively, in the '90s, looked back at these patterns.

**ZIEGLER:** That was the working paper you did, yes.

**INGRAM:** That's right. It was also published in *Urban Studies*. So, basically, the thrust of that empirical research was essentially to learn how similar or different cities in developing countries were relative to cities in industrial countries. And we found tremendous similarities. This is not necessarily great news because you can't look at cities in the United States and say that the urban profession has done a wonderful job managing U.S. cities. So one can take a certain amount of cold comfort from the fact that there are underlying commonalities in behavior and development patterns and, for that matter, actual underlying similarities in parameter values, in modal choice equations and other relationships. It's really quite remarkable. And in that working paper I speculate about why the similarities exist. These similarities are actually rather remarkable, so the question is why is that? What are the underlying mechanisms? And I speculate about what those might be.

**ZIEGLER:** Did you have to travel a lot down to Colombia?

**INGRAM:** Yes.

**ZIEGLER:** Did you do a lot of field research?

**INGRAM:** Yes, indeed. I spent two summers living in Colombia, and I would travel down there regularly. We had a partner institution in Bogota. We had a research team in Colombia.

The other thing we found, by the way, which is quite interesting and still true, is that there's a tremendous amount of data in these cities, but there's not much analysis. And so I have often said that the tragedy in urban research is that the ratio of analysis to data is too low. And too often when we want to learn something about a city, the first thing we do is to make the denominator larger; that is, we collect more data rather than do more analysis.

**ZIEGLER:** Of the existing data.

**INGRAM:** Of the existing data. And, frankly, we found just tremendous amounts of existing data that hadn't been analyzed, and we learned a great deal. We did, of course, also make the denominator larger. We collected household survey data, but all of the data we had for firms and enterprises were from other existing data sources. We got access to blinded Social Security records so we could see how workers were relocating. We locationally coded a lot of this data and were able to look at locational patterns and how they changed over time. It's still the case that the ratio of analysis to data is too low. So that's a watchword.

**ZIEGLER:** In your experience, what had been the objectives of the Bank's urban lending, and how have they been operationalized over time?

**INGRAM:** I think when I arrived at the Bank, there was a lot of emphasis on urban infrastructure and on housing for the poor, which took the form, in the early years, of sites and service projects; that is, where you go in and install minimal services: water, sanitation, electricity, and sometimes build a housing utility core, almost like a big telephone booth with the utility services, and then the households come in and build a unit around the utility core with the services.

Bank lending in urban areas evolved over time. There was a move to much more involvement in housing finance. That was convenient for the institution because you could move large amounts of foreign exchange into a country, and into a sector that didn't use a lot of foreign exchange. Subsequently there was then more attention to looking at the city as a whole, the—thinking of the city as a whole entity, much the way we now look at a country. So in parallel to country strategies—and actually preceding them—it became fashionable to design and draw up city strategies.

The urban sector has had an ongoing challenge, though, and that is that urban activities can be conceptualized as a sector, or they can be thought of as merely occurring at an urban location. Now, lots of things happen in cities. People who worry about health have health clinics in cities. People who worry about education have schools in cities, and so on and so forth. So lots of other sectors are involved in urban areas.

But the particular insight that urban economics brings is the importance of location and locational analysis. And that's gotten obscured in the Bank, because in recent years, it became fashionable to divide the world into sectors and themes. For example, gender is a theme and agriculture is a sector. And in the sector versus theme dichotomy, urban became a theme not a sector, much to the dismay of many urban analysts. Of course, this was an outcome that all the other sectors thought was fine because they didn't really have an interest in envisioning urban as a sector. So there's been an evolution in the thinking about cities and urban areas in the Bank. And, currently, I believe it's still the case that urban continues to be a theme. People think of cities as locations, but they don't really pay enough attention to the economics of location, which is what urban economics particularly contributes to economics, generally.

**ZIEGLER:** In your view, what's been the performance of the World Bank's urban projects and were initial lessons from earlier urban projects successfully incorporated into later ones? My recollection was that in the early '70s—around 1972—the Bank came on in terms of urban projects, specifically. This is about five years before you actually came to the Bank. So I'm sure there must have been early, well, successes and failures, and how did the Bank learn from these, if at all, how did they learn from the . . . ?

**INGRAM:** A couple of comments. If you look at the OED [Operations Evaluation Department] numbers on urban projects, earlier urban projects did quite well, and urban continued to perform well as a sector. There was one year, something like 1998, where the completed projects were just terrible. And because performance measures take averages over five years, it looked for a period of time as if urban projects had deteriorated in performance quite a bit. But when you look at it carefully, there was one bad year, which one could loosely relate to the 1987 reorganization of the Bank.

**ZIEGLER:** Yes, I've read that. Yes.

**INGRAM:** And there was a kind of an echo effect or a performance dearth, let's call it, from the reorganization that then was harvested about eight to ten years later when the projects closed.

**ZIEGLER:** One wonders whether it could be seen in other sectors, also, or themes.

**INGRAM:** I think, to some extent, it can be. I think there's some evidence of it. But, basically, there has been some serious and careful analysis of urban projects. The lessons and evidence of learning is that repeater projects—doing the second and third urban project in the same city—produce projects of successively improved performance. There also appears to be a country learning effect as well as a city learning effect. So there is evidence that, at least at the city and country level, staying with it and doing additional projects pays off, that essentially either the Bank staff gets trained, or the country bureaucrats have been trained . . .

**ZIEGLER:** I was going to ask. Both probably get trained.

**INGRAM:** People learn how the Bank works, but the projects do perform better. There was an empirical piece done in, I would say, the early '90s that demonstrated this. It's called something like "Urban Projects: Learning from Experience," that went through and documented all of these relationships. So, yes, the urban portfolio has done reasonably well. I have to tell you I haven't looked at it in the last 18 months, but at the time I left the Bank, urban was still looking like it was an above-average sector.

There are a lot of talented people, by the way, who were involved in urban projects in the early years. It may not have seemed that way at the time, but a lot of senior managers at the Bank started out in urban, people like Sven Sandstrom and Callisto [E.] Madavo, Johannes [F.] Linn, and so on. A whole crop of senior managers came out of urban later. So urban did have some raw talent in the '70s.

**ZIEGLER:** By June of 1981 there had been important changes in the organization of urban work at the World Bank. Urban operations had been regionalized, and the Urban Projects Department had been transformed into the Urban Development Department, a separate department in the Operations Policy Staff. Can you shed some light on the thinking behind these changes? Now, you talk a little bit about sectors and themes and all. It probably ties in there, I would imagine.

**INGRAM:** Well, at that time, urban was still a sector. I mean, the business of thinking of urban as a theme is a 21st century phenomenon. But I think people had the view that urban was on a track which other sectors had been on before, or would be on subsequently. When you wanted to initiate new activity in the Bank at that time, you set up something called a central operating department. And the central operating department did projects centrally. And then, once you learned how to do it and you built staff capacity, you then decentralized the staff to the Regions, and you then had regional units who did projects. So the transition from a central operating department to regionalized activities and a central policy department was essentially the coming of age of the urban sector at that time. We saw something similar to that subsequently in environment, where the Bank started out with a central environment unit, and then had decentralized units, regional environmental departments called REDs, at the time, as I recall it. So, no, this was just part and parcel of what people thought was a normal maturation process.

**ZIEGLER:** You retained an interest in urban development issues pretty much throughout your career in the Bank, as evidenced by the November 1997 Policy Research Working Paper 1841, entitled *Patterns of Metropolitan Development: What Have We Learned?*—and we just talked about this a bit earlier on—which you had authored. In order to sum up the experience in the urban sector, could you trace, on a broad level, the evolution of the World Bank’s lending strategies and the choice of project instruments in the urban sector, as you saw them; just kind of a broad-brush summary.

**INGRAM:** I mentioned earlier that when I came to the Bank, engagement on the urban side was in sites and service projects. The goal at that time was a replicable project. The idea was to do a demonstration project, to show that something will work, so that the country will begin to replicate the project on its own. And sites and services projects embodied this notion of replicable projects. We learned subsequently from work Steve [Stephen K.] Mayo did that the sites and service projects that the Bank had been funding were actually relatively heavily subsidized, and therefore they weren’t really replicated by governments after the Bank no longer financed them. I think now we have a clearer understanding about this. Although people thought at the time they were self-financing, careful analysis *ex post* showed that that was not the case.

There was also work, at that time, on local public finance reform. The seeds for the Bank’s later interest in decentralization were sown at that time. Next, the urban sector became much more interested and focused on urban management issues. There was a conjecture, possibly not even a conscious conjecture, but a conjecture that somehow a city was like a big company, or like a firm, and you had to manage the city. So in that model, the mayor is the CEO. That view held sway for a while, and there have been a number of urban management initiatives in the institution.

There was, also—again I mentioned earlier—a move to housing finance. And the Bank then was engaged in some large-scale housing finance lending, which involved much more lending to the



central government. And then we moved into the phase of looking at the city as an entity unto itself with urban assistance strategies, somewhat like the country assistance strategy.

My own view about this is that, in economics, you should not think of a city as a firm; that is, you should not use the theory of the firm to think about urban problems. What you should do is envision a city as a small, open economy. So you should be drawn more to trade theory.

Now, the implications of those two different ways of thinking about cities are very different. If you're into the theory of the firm and envision cities competing with each other, you're intellectually almost inherently into a zero sum game; if my city wins, your city loses, and we're competing against each other. When you think about the city as a small, open economy and you apply the theory of trade, the attractive thing about that intellectually is there are gains from trade. Trade is not a zero sum game. And I've always argued that cities are much more like small countries than they are like big firms, and that the mayor is not the CEO; the mayor is the prime minister. And the mayor's job is to build political coalitions and make things happen. The mayor lives in a world where it's very difficult to define a clear bottom line; there's no profit and loss statement. And so if you think about cities as small countries, and you bring the relevant tools that economics has to bear on urban analysis—and now I'm talking about urban analysis in the aggregate—I'm abstracting for a minute from the sort of locational economics I was talking about earlier—you'd be much better served. And the Bank has not come down as clearly as it might on treating cities as small countries. There has been, for example, a lot of discussion of the city as a competitive entity, there's the competitive city, the financeable city, the livable city and so on, and this I don't think has gotten us—or the urban analyst—very far.

You find these terms, such as the competitive city, by the way, embodied in recent urban strategy papers. But the fact is, if you think about cities as analogues to small countries, it's difficult to come up with a simple normative framework. It's difficult to write down the objective function for a country. You can write down the objective function for General Motors, or for a typical firm. And so if you think about the simple analytics of economics, where you write down an objective function and you maximize it subject to constraints, that doesn't work very well for cities. And I had advocated that what we should be doing in cities is collecting data on a number of different aspects of cities. Since we didn't have an underlying normative model, at least it would be very useful to know where a city stood in terms of the distribution of all cities; for example, whether the city is in the 5th percentile of population density or the 80th percentile of population density. There was some work done along those lines by Steve Mayo and Solly [Shlomo] Angel with Habitat [Habitat for Humanity], but that was an effort that was eventually stillborn in the Bank. And the urban folks have not really advanced that field very much.

The final comment is in terms of issues to be addressed. If you want to think about managing cities, it turns out that a number of cities in developing countries have been rated by international bond-rating agencies because they have actually gone out and sold bonds on the global market at the city level. And my sense was—my advice was always: “If you want to think about how to measure how well cities are managed, go talk to these bond-rating agencies and ask them what are the dimensions they look at. If they think a city has a high bond rating, what is the analysis

that underlies that, and let's use that kind of analysis to make determinations about whether cities are well managed or not." So this is an evolving area, and there are lots of additional things yet to do.

**ZIEGLER:** Putting on your OED hat for a moment, what, in your view, were the primary lessons learned by the World Bank in the urban sector? And would you say that the Bank's efforts in the sector have been largely successful? For the second half of that question, you have indicated earlier on that the success rate, according to an OED . .

**INGRAM:** It's pretty high.

**ZIEGLER:** . . analysis, it's been pretty good, yes.

**INGRAM:** Well, again, the projects have been successful in terms of their own objectives, which is the way OED measures success. I mentioned earlier that replicability, which was an objective of the sites and service projects and many of the earlier Bank projects, was not really attained. It's hard to look out in the world and find examples where countries have taken initiatives that the Bank has started and run with them. This, by the way, is an issue which has reappeared currently. There's different vocabulary used now; instead of "replicability," the terminology has changed lately to be called "scaling up." And Jim [James D.] Wolfensohn has actually financed a center at Brookings Institution, headed by Johannes Linn, whose objective is to figure out how to scale up projects.

**ZIEGLER:** You mean personally financed, or through . . . ?

**INGRAM:** It's essentially personally financed. Yes, Mr. Wolfensohn has committed \$10 million of funds from the Wolfensohn Foundation to Brookings over the next five years to underwrite research and analysis on how to scale up projects, which is essentially replicability dressed in slightly different clothing.

I also mentioned earlier that the repeater projects have worked well and have worked better. So there has been some success. At the same time, given the comments I just made, this is a sector that's still evolving. And it's not just evolving in the Bank. The urban analysts at the Bank are not in a stream separated from the river and the rest of the world. It continues to be the case that people generally do not have very clearly defined models or ideas about how to analyze cities. And so you get a lot of muddy thinking about urban development. And this is contributed to by a lot of other professions besides economics, I might say. This is an area that everybody is engaged in, everybody in the social sciences.

**ZIEGLER:** Cities, in a sense, continue to evolve, too. Isn't it the case, if I'm not mistaken, that it's either just happened recently, or will happen soon, the majority of human beings will be living in cities rather than . . . ?

**INGRAM:** In urban areas. That actually is likely to happen in 2006. It's likely to happen this year that 50 percent of the world's population will be urbanized. Yes, this is actually—it could be happening even as we speak—quite a remarkable outcome.

**ZIEGLER:** And it took only, what, 5,000 years or so to do that from the first cities.

**INGRAM:** Yes, that's exactly right. It's quite remarkable.

**ZIEGLER:** Winding up with the urban issue, are there any particular aspects of your work in the Bank's urban sector that we haven't covered that you'd like to say anything about?

**INGRAM:** The one comment I would make is, starting in the mid-'80s or so, there was a decline in the Bank's role as an intellectual leader in urban. There had been units in the Research Department [Economics and Research Staff] dedicated to urban issues, and they began to disappear in the mid-'80s, and the Bank's intellectual leadership in urban—which I think was fairly significant up until that point—began to erode. Now in fact, from about the mid-'80s to about the mid-'90s, it's also the case that urban economics in the rest of the world went to sleep. But when it woke up elsewhere in the mid-'90s, the Bank continued to sleep, and a lot of interesting work has been done in the last ten years in urban, which the Bank has not particularly engaged in.

**ZIEGLER:** To what would you attribute this somnolence?

**INGRAM:** Well, we'll talk about that in a bit, but there's been a general decline in sector research in the Bank starting in the early '90s. This is a decision essentially made by the top management of the Bank. They made a decision to reduce the funding for research, and they carried it out. And this all happened, ironically, at the same time the Bank was being touted as a knowledge institution, as a knowledge bank. You have to note here, and later we'll talk about the fact that in nominal terms, not even adjusted for inflation, in the '90s research expenditures of the Bank went down by 30 percent, which means in real terms they went down by 40 to 45 percent. It's a remarkable event.

**ZIEGLER:** On August 1, 1983, you became director, Development Research Department. How did that promotion come about? What were the circumstances that led to that promotion?

**INGRAM:** Anne [O.] Krueger had come to the Bank as chief economist the year before, and she had come to the conclusion that she wanted to make some changes, and she proceeded to make changes on the research side.

**ZIEGLER:** Which were controversial, as I seem to recall.

**INGRAM:** They were controversial. They were probably more controversial stylistically than intellectually, although there was controversy intellectually as well. Because what she was doing was moving the research establishment of the Bank away from a structuralist view of

development, which Hollis Chenery had embodied. The structuralist model being, as economies grow you move resources out of agriculture into industry and services. Hollis had published a lot of work documenting how that process occurred. There was also a fair amount of research that involved large-scale programming models reflecting large-scale planning approaches, and she did not think that made a great deal of sense. Her forte was in trade. The Bank had not been doing much in trade. She was intent on moving the Bank away from the structuralist approach into a more market-oriented and trade-oriented approach. So she established an international trade division in the Research Department. And she was then looking for a new director for the department. And one day I got a phone call from her asking if I would come and talk to her.

In retrospect, she had been talking to members of the Research Committee about candidates, and I think that Tony [Anthony A.] Churchill, who became director of the Urban Development Department [Water Supply and Urban Development Department] and was a member of the Research Committee, had suggested that she might talk to me. And so I went over to see her, she offered me the job, and I accepted it. It was a fairly rapid transaction. But anyway, that's how that happened.

**ZIEGLER:** So you signed onto the Bank for a longer haul than the initial two years that you started with.

**INGRAM:** That actually had happened earlier. To give you an idea of how the Bank has changed, I came to the Bank with a two-year term appointment. At the end of that period, I signed up for another two-year term appointment. And at that point, I resigned from Harvard University because you can't have more than two years of leave.

Then I realized I really needed to buy a house. And if I was going to buy a house, I thought I would need to go to a bank to get a mortgage, and would need something more than a two-year appointment. So I went in to see my department chairman, who was Ben [Benjamin B.] King, and I said, "Ben, I need a regular appointment because I need to buy a house and get a mortgage." And he said okay. And that was the end of it. And then I got a regular appointment. I mean, things are a bit more complicated now, when you want to move from . . .

**ZIEGLER:** Ben King had a sort of breezy informality in some respects, too.

**INGRAM:** Yes, but he also delivered.

**ZIEGLER:** Yes.

**INGRAM:** He was a remarkable man.

In any case, I then got my regular appointment. But I have to say, though, that I never, at that time, and throughout my whole Bank career, planned on staying at the Bank for what turned out to be 26 years. I was always in a situation where there were another two or three interesting

years. There was always something interesting to do, but I never envisioned myself being a “lifer” at the Bank, which is what I became.

**ZIEGLER:** I’m going to just change the tape here.

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

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

**ZIEGLER:** Before I had to change the tape I was going to ask you: What was the mandate of the Development Research Department when you came aboard as director?

**INGRAM:** I think what we largely did in the Development Research Department was empirical work using data from developing countries, testing the transferability of insights that had been developed elsewhere. Let me give you an example. There was a literature developed in the human capital area about the rate of return to education. So people like George Psacharopoulos then spent a fair amount of time in the Bank taking data from developing countries and saying, “Well, we have this approach that people have used in the United States. Let’s see how it works in developing countries.” And he then systematically estimated the rate of return to education in developing countries. There also were similar kinds of work that were done on behavior in labor markets and industrial organization.

The other activities that were going on that were not related to this but more macro included work done on the development of computable general equilibrium models applied to developing countries and, related to that, social accounting matrices. These represent an aggregate view of the economy.

And I already mentioned that Anne Krueger had set up a new division to look at international trade [International Economic Research Division], and she brought [Joseph] Michael Finger in to head that. Later, we set up a Macroeconomics Division. Mohsin [S.] Khan from the IMF [International Monetary Fund] came over to head that division. So there was a transformation of the divisions, which illustrates, by the way, typical behavior in the Bank. That is, if you want something to happen in the Bank, you set up a unit, and you charge the head of that unit to make whatever it is you want to have happen, happen. Otherwise you tend to get lip service in the institution. So that when you’re serious about working on the environment, you stop having an environmental adviser in the central department, and you set up environmental divisions. In fact, that’s still very much true in the Bank. The Bank is driven by its organizational structure, and that was also true in research. So the way you get work on trade done is you set up a trade division, and you tell the head of the trade division that his job is to do research on trade, and then that happens. Otherwise, if you have somebody doing work on industrial organization, and you tell them to do work on trade, it may or may not happen.

So the rule that “organization is destiny” at the Bank is also true in research.

**ZIEGLER:** Rather than character.

**INGRAM:** That's right, it's just as true in research as it is anywhere else. But anyway, that gives you an idea of what we were up to in the Development Research Department.

**ZIEGLER:** The year before you were appointed director, Development Research Department, the research complex in the Bank underwent reorganization. What was your role in that reorganization?

**INGRAM:** I really had no role in that reorganization. I was off being the economic adviser to Urban Projects. I was not a member of the Research Committee, I was not particularly affected by Anne Krueger's arrival as chief economist, and I played virtually no role. I had a lot of friends in the Research Department because I had been there for four years, and I talked to them from time to time. But, no, I was not particularly involved in that reorganization, although I soon became involved as director, I must say. I did step onto a moving train.

**ZIEGLER:** In your position as director of the Development Research Department you reported, as we noted, to Anne Krueger, who was also the first woman appointed as a vice president in the World Bank. How would you characterize your professional relationship with her, and what was your view of the direction she was taking Bank research?

**INGRAM:** Intellectually her approach was really welcome. You have to recall that the Bank was not doing very much in trade. We're talking about 1982, 1983, where the four little tigers of East Asia were beginning to be prominent. South Korea, Singapore, Hong Kong and Taiwan were all in the exporting business, not in the import substitution business. Hollis's view of structural adjustment was to rely heavily on import substitution. He didn't really pay much attention to trade. His models were largely closed models. And Anne came in with a trade perspective which we now look back on and say, "Yes, that's a perfectly valid model, and lots of countries have done very well by it," China being a current notable example. And other countries are not doing so well; India being reasonably successful but not particularly export driven, by the way, and Latin America being challenged with that approach.

So Anne was, in fact, bringing the Bank into modernity. She also was bringing in a view that was a reaction to development economics of the '50s and '60s, when people were concerned about market failure and became advocates of government intervention. And the Bank, by the way, was a strong advocate of government intervention—just look at the power sector, where the Bank led the nationalization of power systems in many countries. And the experience with government intervention led to the concept of government failure, right? And Anne came in with the view that government intervention was not the solution and could often be the problem, and that the Bank needed to understand that it needed to depend on markets to a much greater extent.

**ZIEGLER:** I think many people felt she was an echo of the [Ronald] Reagan administration, to that extent anyway.

**INGRAM:** Yes, indeed. And that was true at the time. But again, if you look back at it from where we are now, it was a direction in which the Bank had to move.

And the government failure point—we can talk about it a little later when we talk about infrastructure—but it’s very well documented. The Bank was advocating significant government intervention in these economies and advocating, as I said, in particular the nationalization of power systems, in which it then has more recently tried to promote private investment. So it’s had second thoughts, and we’ve all learned from this experience. But Anne very much was an advocate of the market, and so she was moving the Bank in directions in which it had to go.

People also had the view, if you can contrast Hollis with Anne, that Hollis was very devoted to particular views of the world. He tolerated a lot of different views in the Research Department. While in some sense he didn’t let a thousand flowers bloom, he did let several dozen flowers bloom. People would come and do research in areas that Hollis didn’t necessarily advocate, including urban development. Anne probably was a bit less welcoming, a bit less ecumenical than Hollis had been, but the Bank needed to move in different directions, and she was an agent who made that happen. People were surprised at the time, but in retrospect, these were changes that were overdue.

**ZIEGLER:** And you were generally supportive of them, I gather.

**INGRAM:** Yes. If you ask me what sort of economist am I, the answer is that I’m an applied microeconomist. And so the idea that people respond to incentives and that prices matter and markets matter is something I feel very strongly about. That’s not to say that there aren’t market failures and there’s certainly a need for regulation, but there also are clear issues with government competence as well. And so one needs to wend a bit of a middle way, which is the path that the Bank is seeking to find now.

**ZIEGLER:** Certainly some of the privatization that the Bank has advocated has met with, shall we say, resistance. I think of the Bolivian Cochabamba water supply.

**INGRAM:** Yes, yes, yes. Well, that’s a case where the Bank has been pilloried a bit unfairly, actually, in the case of Cochabamba.

It’s also the case, by the way, that within infrastructure the water sector is the most difficult sector. Most people don’t have the view, for example, that telephone service is a basic need. And most people have the view that if you use the telephone, it’s perfectly sensible to expect you to pay to use the telephone. So there’s not any ideological resistance to the idea that you should pay for phone service.

With respect to water supply, it turns out people have the view—a correct view, of course—that water is a basic need. But then there’s an inference that because it’s a basic need, it’s immoral to charge for water. Although it’s perfectly true that water is a basic need, and it’s perfectly true that it falls out of the sky on us, it is also the case that there is a handling and purification charge.

If you want to turn on a spigot in your house and have clean water run out, be prepared to pay something for the delivery. And the water sector continues to be the infrastructure sector with the poorest cost recovery record. In developing countries about a third of the costs of water supply are, in fact, paid by consumers. Consumers pay about half to 60 percent of electricity costs, and essentially telecommunications pays its own way. Within telecommunications, the long distance service subsidizes the local service, although that is changing with changes in technology as well. But, essentially, you can order the sectors in terms of their cost recovery performance, and water is always at the bottom.

**ZIEGLER:** In 1984, the research priorities of the World Bank, in part, I believe as a result of the *Report on Suggested Research Activities at the World Bank* by Professor Assar Lindbeck of the University of Stockholm [which forms Part II of Report No. 5325, *Report on the World Bank Research Program*, November 1984] shifted from an emphasis on highly formalized, large-scale quantitative forecasting or planning models and related optimizing models to more social science-oriented analyses, emphasizing studies in factual behavior, patterns of individual agents and institutions. This shift in emphasis to more applied and policy-oriented research was to underpin simple and robust policy advice rather than seeking for social optimization to make research activities more relevant for the emerging operational activities of the Bank. How did this shift affect you specifically as director of the Development Research Department, and did you have any input into the decision to make this shift? I think we've been talking somewhat about this, of course, in our previous conversation here.

**INGRAM:** Yes. The move was very much from developing tools to support central planning to thinking more about how to use the market. In terms of tools to support central planning, there was work being done in the Research Department on energy programming models to determine where the next fertilizer plant should be located in India. Activities embodied large-scale, nationwide logistics analysis of where to put the steel mill, where to put the large facilities. A group of people in the Development Research Center, under Jack [John H.] Duloy, was doing work like that in the mid-'70s. That work had been diminishing, but basically that work did in fact stop. Now, work on computable general equilibrium models did continue, but they were more macroeconomic models.

I think, by the way, there still is use for some large models, not particularly to locate fertilizer plants in India, but if you want to sensibly manage, say, a large river basin, you really need to have a large model, or a large accounting machine that helps you keep track of people who take water out, and people who put waste in and so on. And that kind of work continued in the Bank and continues, for that matter, in universities. At Harvard University Professor Peter Rodgers has worked with the Bank on and off, particularly on these large river basin models. That is an issue that continues.

But as I said, this was an area where the notion of government failure was introduced, and the Bank moved to the market. And I've already said that I do applied micro. I think incentives matter and markets are useful mechanisms for transmitting incentives. And this will show up as



a theme of the *World Development Report* in 1994 that I worked on [*World Development Report 1994: Infrastructure for Development*]. So I welcomed this change.

**ZIEGLER:** In your view, did the simple and robust policy advice that I mentioned in the previous question actually emerge?

**INGRAM:** Well, yes and no. There's this famous "Washington Consensus" article by . . .

**ZIEGLER:** John Williamson.

**INGRAM:** Yes, by John Williamson. That, in some sense, constituted at the macro level the simple and robust policy advice. I think where thinking is now, there's a kind of modified version of this, and the modified version is that you have to adapt the simple and robust advice to country conditions. In other words, there has to be customization of the advice to country circumstances. And this is embedded in the homily, "One size does not fit all."

Now, that having been said, economists will continue to make statements suggesting that they believe one size fits all. I mean, economists will tell you sales taxes are generally regressive. There are many robust, empirical findings that empirical work has sustained. Now it's quite a step from saying that sales taxes are regressive to telling people how you should design the national tax system in Nigeria. So one will draw, to some extent, on some simple and robust facts or empirical findings, and then mix them together in ways that make sense in the country context. If you have a hopelessly corrupt customs bureau, maybe you don't want to use customs excise duties to the extent that you would otherwise. So the notion is, yes, there are some simple and robust findings out there, but the current thinking is to mix and match with country conditions. And our friend Professor Williamson will be the first to tell you how much he regrets writing the article about the "Washington Consensus."

**ZIEGLER:** So I've read, yes. Well, the Fund is criticized frequently still, I gather, for cookie-cutter policy recommendations, that sort of thing.

**INGRAM:** And I think with some merit. I think that they do have relatively simple and routinized approaches that they use. That's a debate that's been going on, initiated most vociferously by Joe [Joseph E.] Stiglitz, while he was chief economist of the World Bank.

**ZIEGLER:** World Bank research during the 1980s had been driven, in large part, by the institutional mandate to reduce world poverty. In FY '84, the Research Policy Committee recommended that research be encouraged in five areas to respond to the Bank's rapidly growing involvement in policy-based lending, with its emphasis on macroeconomic and trade considerations. These areas were: costs and benefits of government intervention; interrelationships between institutional structures and incentives; the international economic environment; the relationship of short- to medium-term stabilization measures in long-term economic development; and economic planning. Please reflect on how this new institutional

involvement in policy-based lending and the official encouragement of research in these new areas affected the work of the Development Research Department.

**INGRAM:** With those particular mandates—and this grew out of Assar Lindbeck’s work—what the chief economist of the Bank at that time, Anne Krueger, did was to set up a Research Policy Council that paralleled the Research Committee. She took funds from the Research Support Budget and funded five large comparative studies, each about a million-and-a-half dollars, typically doing case studies across 12 to 16 countries. She set those in motion to address these issues. She herself was heavily involved in one of these comparative studies that addressed issues of agricultural pricing, for example. These studies went on, typically, for three to five years, and they finished after she had left the Bank. But this all happened largely outside the Development Research Department, and through a separate committee. This is the sort of institutional response I was talking about earlier.

By the way, this use of comparative international projects is something Anne had done earlier in her career. She had done some work for the National Bureau of Economic Research, particularly on trade issues, with Professor [Jagdish N.] Bhagwati at Columbia. And these National Bureau comparative studies were very well received. So she had this approach in mind. This involved designing templates for each country case study, so that at the end of the day, you could look across 12 or 14 or 16 country case studies, and you could make generalizations across them. So that’s essentially the instrument that she used to respond to these objectives that she had in mind.

**ZIEGLER:** Did it actually work out that you could make those cross comparisons?

**INGRAM:** The studies had varied levels of success. The work she was involved in on agricultural pricing with Maurice Schiff, who—I believe—is still a Bank staff member, was probably one of the best studies because it was done in a reasonably timely way, and it said sensible things. But a number of the other studies didn’t fare quite so well. They took longer. They were less concise. A lot of the country studies were published separately. In a few cases, the summary volumes were disappointing. But these projects were all evaluated, ironically, by the Research Advisory Staff that I was heading at the time, so there’s a record of evaluation of these things. I think, given the way they turned out, they weren’t all that successful. Taken together, as I said, the one on agricultural pricing was probably the best of the lot, and some of the others were a bit late, and they were telling us things that most people thought they already knew which, of course, is always a problem in research.

**ZIEGLER:** In November 1986, during your time as director of the Development Research Department, the *Report on World Bank Research Program, Part 1*, Report No. 6505, November 1986, noted, quote, “The Bank’s research program continues to be guided by four objectives: to support all aspects of the Bank’s operations; to broaden understanding of the development process; to improve the Bank’s capacity to provide advice to member countries; and to assist in developing indigenous research capacity in member countries,” unquote. How did you and your colleagues proceed in pursuit of those objectives?

**INGRAM:** First, let me say these objectives actually stemmed from the time when Hollis Chenery was chief economist. These went back to the mid to late '70s. So these were longstanding objectives of the research program. Let me make a couple comments about this.

First of all, institutionally, I already mentioned the Research Committee. There's a Research Department in the Bank, which has its own budget, but other departments often spent some of their own budget on research, particularly in the '80s. And the Research Support Budget was a separate fund that was allocated to projects on the basis of proposals submitted by Bank staff. Think of it as a kind of an internal National Science Foundation.

Any staff member in the Bank can write a proposal to seek money from the Research Support Budget. It has to be endorsed by their manager, but they can write a proposal. The proposal's evaluation process is a function of how much money it is asking for. If it is asking for a significant amount of money, which when I was there was over \$35,000, it would go through an external peer-review process. Then the person who wrote the proposal would respond to the external peer-review comments in writing. The package would then go to the Research Committee, which included the proposal, the external reviews and the response. The Research Committee would then make a determination about whether to fund the research or not.

Actually, the constitutional rules are that the chief economist makes the decision based on the advice of the Research Committee. The composition of the Research Committee was essentially senior members of the Bank who had an interest, capacity, and record in research. Virtually all were from outside of the Research Department and largely outside the development economics complex. So the Research Committee historically has been populated significantly by Regional chief economists, for example, and by other people in sector departments who have research standing. So its members are drawn from the research establishment in the Bank outside of development economics. And that gives the rest of the Bank a real forum in which to transmit to the chief economist information about what their priorities are.

This whole system of an internal Research Support Budget and a Research Committee advising the chief economist was put in place by Hollis Chenery, and is actually masterful and institutionally unique in that it is extremely rare in a large organization for any resources ever to be allocated through a competitive process. Within organizations, it is normally command and control. So that if you look at a typical large corporation that has a research organization, there's a vice president of research who sits on the management committee and gets a budget that is then allocated by the VP. There's no competitive system. The Bank is actually remarkably unique in using competition to allocate these resources.

And the Research Committee turns out to be, in terms of the internal politics of it—not just the internal rationality of it—a terrific idea because it comprises a group of relatively important people in the Bank who are informed about the research programs. And because they are involved in the decisionmaking process, when they're in conversations with other people where particular projects are being attacked, because they participated in the decision, you know, they . . .

**ZIEGLER:** They buy into it.

**INGRAM:** They buy into it, and so they're natural defenders of the research program. The longevity of the research program in the Bank in some sense, I think, is largely due to this Research Committee. But this goes back to the objectives of supporting aspects of the Bank operations and improving the Bank's capacity to provide advice to member countries. The Research Committee is an instrument that really helps the chief economist see that these objectives are met.

Another important fact: At the time when I was running the Research Department, and when I left the Bank, is that the research staff spends about a third of their time doing operational work, what used to be called cross-support. That is when a researcher goes out on an operational mission. This is what I called "embodied dissemination." It turns out the most effective way to disseminate research results at the Bank is to take the researcher and send him or her out in the field to incorporate the research results into the work of the Bank. That works better than just about anything else.

In terms of the indigenous research capacity of member countries, the Bank in 1987 began to be much more engaged because in 1987 the Bank became a charter member of the African Economic Research Consortium. This organization, with headquarters in Kenya, was brought into being by the Rockefeller Foundation to start a program of giving small grants to individual researchers in Africa, with oversight from leading academics from around the world.

That was then followed in the '90s by the Economics Education and Research Consortium for Russia and Ukraine, which I was very much involved with setting up, and which adapted the AERC model. The Bank's engagement is also reflected in the Global Development Network that Lyn Squire has been managing for the past couple of years. The Bank now has a network of research institutes, and there is significant funding. Originally, it flowed from the Research Support Budget. It now flows from the Bank's global grant facility.

But anyway, these objectives are all addressed by, institutionally, the Research Committee; by cross-support; and now by initiatives like the African Economic Research Consortium, which is now close to its 20th anniversary—quite remarkable.

**ZIEGLER:** The report that we've been discussing cited, and cited earlier here, notes that the four objectives of the program, quote, "guide the current Bank's research program as they underline the twin functions that research performs in the Bank, both supporting Bank operations as an intermediate input, important for the Bank's role as policy adviser to developing countries, and as one of the important final outputs of the Bank in keeping the Bank in the forefront of thinking on the economics of developing countries and sharing research results with the development community."

In your view, did the intermediate input, over the years you were involved, provide value to the Bank's operational work commensurate with the costs of producing those products? And if so, could you cite some examples?

Now, you mentioned sending researchers out into the field, which I thought was an interesting point. I've always wondered, you know, research is over here and operations is over there; how do you get the products of the research actually to be incorporated into what is going on in the Bank, in a practical sense?

**INGRAM:** Let me tell you a personal anecdote. When I first came to the Bank, I joined the Development Economics Department from Harvard University, where there was a common concern: Here we are at Harvard University doing research, but how do we get the research into the hands of policymakers? So I came to the Bank with the view that I was now at an institution that contains both an operation/policy facility and a research facility. I thought that obviously this institution would internalize all this, and that the problems that I had faced at Harvard University would all be resolved by incorporating everything in the same organization. And after I had been at the Bank for a few days, I was introduced to the "us versus them" discourse about "here we are in research and those people over there are in operations". I was baffled. How could it be that there is a divide between research and operations, when the same guy signs everybody's payroll check? And I have to say it continues to be baffling, at some level. It certainly surprised me at the time. But it is, in fact, real. It exists, and there is quite a distinction—almost tribal—between the people who are on the research side and the people who are on the operations side.

Let me make another comment, though. Other organizations also have an operations side and a research side. What distinguishes the Bank from most of those other operations is that, for example, if you are a pharmaceutical company, the people who are doing the research often have very different skills from the operations people who are out visiting doctors and selling the product. You can't substitute one for the other. What's interesting about the Bank is that a large number of people in operations have substantial research credentials. In other words, they used to be the guys in the lab wearing the white jackets. They took off the white jackets, and now they are out in the field in the grey suits. So the fact that there are a substantial number of people who can work on either side of the divide makes the barrier—the "us versus them"—even more baffling, by the way, because one day you're a researcher, another day you're in operations. But enough of this particular institutional paradox at the Bank.

Let me address the issue of what happens on the research side that is of some use in operations. I'm going to talk about the intermediate inputs, and we can talk about publications and so on a bit later.

I mentioned earlier work on computable general equilibrium models and social accounting matrices. The first work that was done in the Bank on those was, in fact, done in the Research Department, and the three authors were Dervis, de Melo, and Robinson [Dervis, Kemal, Jaime de Melo and Sherman Robinson. *General Equilibrium Models for Development Policy*. Cambridge:

Cambridge University Press, 1982.]. Kemal Dervis, who went on to operations and became a Regional vice president; Jaime de Melo, who left the Bank, was in research; as was Sherman Robinson who also left the Bank. But they put out the first book. There was work on social accounting matrices as well. These tools are widely used in operations.

A second thing that was of great influence in the Bank was the Development Economics Department's—under Stan [Stanley] Fischer—first analysis of structural adjustment lending, that documented the social costs of the first round of structural adjustment lending [Nunberg, Barbara. *Public Sector Management Issues in Structural Adjustment Lending*, WPS 217. The World Bank, March 1990.] This contributed to structural adjustment lending's bad name, and led to reforms in structural adjustment lending.

I think the work on education documented the importance of primary education, which, in fact, was and has been—but I'm not sure it continues to be—at the core of the Bank's policy in education. The Bank's policy is very much to promote primary education, and not very much to be in the business of funding secondary education, and particularly university education. It turns out, though, if you look at the recent OED evaluation of education lending, although that's the Bank policy, over the last 15 years or so one-third of Bank lending in education, in fact, has gone to university training. Quite an amazing inconsistency between what happened in the field and what the policy was. But I think the research is right, and the policy was right. The policy wasn't necessarily implemented all that well.

There's a lot of work on efficiency of transportation, metros versus buses, and so on, which has had an impact on the Bank. The Bank has financed a few rail-based transit systems, but very few.

The Bank has done a tremendous amount of research in agriculture. The one thing that comes to mind is there was a long issue about the effect of farm size on productivity, and pretty compelling work in DEC [Development Economics] made it clear that you typically found smaller farms in areas where the land was more fertile. And if you did all of your analysis of farm productivity without accounting for the differences in land fertility, you, in fact, got bizarre results. So those are a couple of examples.

I think the Bank's work on issues in regulation has also had some impact within the Bank. The Bank's impact on the outside, through its publications program, is notable. And we can talk about that a little bit later in the interview.

**ZIEGLER:** I'm just going to change the tape here.

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

**[Begin Tape 2, Side A]**

**ZIEGLER:** Concerning the final outputs mentioned in the previous question, Greg, did the research program indeed keep the Bank in the forefront of thinking on the economics of developing countries?

**INGRAM:** I think in many respects, but not all respects, yes. When I was doing reports on the Bank's research program I tried to determine how much money was being spent on development research around the world, and particularly in other multilateral development banks. And the answer was at that time the Bank was spending about \$25 million a year, the Inter-American Development Bank was spending about \$2.5 million a year, and the other development banks were spending essentially nothing. And at that time, Nancy Birdsall was vice president of the Inter-American Development Bank, and she was extremely candid and forthright in her view, which was, "We're not going to do any research because the World Bank does the research, and we're just going to use their research." So there was no gainsaying the role of the World Bank at that time.

There's a lot of university work that's done on development economics. I never was able to get a very good handle on it in terms of inputs. I was able to get a handle on it in terms of outputs, in that the Bank produces 10 to 15 percent of the publications in development economics in the world. I don't know how that reflects inputs.

Now, in terms of, "yes, but not in all respects," I already mentioned that, for example, in urban economics, the Bank lost its edge in the mid-'80s. I frankly don't think it's ever quite regained its edge. So that's a particular area where I don't think it has been in the forefront, or pushing the frontier. I think, in general, from the mid-'90s, the Bank's research on sectoral issues diminished tremendously in terms of resources expended. I think that the Bank has spent a lot of money on macro and economy-wide issues, and I think, yes, I think the Bank is at the forefront of thinking in those areas.

There are some other challenges for the Bank, where I think the Bank has acquitted itself pretty well, although it's been tested a few times. One issue is when the thinking in the world about an issue changes and where the Bank has a policy position on the issue. The Bank has been pretty good about supporting research being undertaken and published which in fact undercuts the current Bank policy stance. There have been a few issues around that, publishing material and research findings that contradict current Bank policy. In one famous case a Bank staff member did an analysis of the Free Trade Agreement with Mexico. The Bank's view was that Mexico was going to benefit tremendously from this. And this piece argued that actually Mexican agriculture was not particularly going to benefit from this. And the then-Latin American vice president was extremely annoyed that this piece was published, which turned out to be right, by the way.

So there is often some short-term annoyance that accompanies such change. But the institution has been pretty good about that. And I think, frankly, that's the test of the institution on the research side: that if you're going to stay at the forefront, you have to allow people to put out things that are inconsistent with your current policy stance.

**ZIEGLER:** Let me follow up on that. How tolerant is the Bank of dissent? I don't mean carping criticism by staff, but, you know, intelligent, intellectual, reasoned dissent or disagreement with the party line, so to speak. What's been your experience?

**INGRAM:** I think the Bank has been pretty good about it. Let me use a metaphor to explain this. There are two U.S. corporations—one that no longer really exists—that had internal research agencies. American Telephone and Telegraph Company had Bell Labs, and it published *The Bell Journal of Economics*. If you were doing research in related fields like utility regulation, and you were publishing something in *The Quarterly Journal of Economics*, you would feel comfortable citing a document that had been published in *The Bell Journal* because researchers viewed *The Bell Journal* as separate from AT&T's corporate policy. The Bell Labs were separate, and an intellectually respectable operation.

On the other side, General Motors has General Motors Research Labs. All the evidence I have is there's very little that comes out of General Motors Research Labs that's inconsistent with current GM policy. And I would never cite a document from GM Labs in a serious piece of research that was not, say, highly technical. I suspect the stuff that comes out of GM Labs that talks about the stoichiometric ratio of fuel mixtures and how fast the flame front moves through the cylinder is probably okay. But I'm very suspicious of anything GM Research Labs has to say about, say, transport policy. And you will very rarely see stuff from that lab cited in serious literature.

The critical thing for the Bank, if it wants to maintain credentials on the research side and as an intellectual leader, is that it has to be regarded by other researchers outside the Bank as being intellectually respectable. And I think the Bank has done a pretty good job of that. Others extensively cite Bank work. It's referred to in academic journal articles. So I think the Bank—looking across the whole range of research and its intellectual respectability—has done reasonably well.

There have been a couple of cases of people trying to apply pressure. For example, Dennis [N.] de Tray was head of the Research Advisory Staff when a Bank book had been published about secure titles for agricultural land in Thailand. He got a note from a vice president, saying, "What is this rubbish that the Bank is publishing? This is just a clear waste of Bank resources." This particular book [Gershon, Feder, et al. *Land Policies and Farm Productivity in Thailand*. Baltimore: The Johns Hopkins University Press, 1988] won a prize subsequently from the American Agricultural Economics Association as one of the best pieces of empirical research that year. The group that did this work influenced operations, and then the group that did this research got a presidential award about three or four years ago because the Bank has lent a lot of money for land titling projects in agriculture, all based on this research, which had originally been trashed by a senior manager at the Bank.

I also remember when I was doing the *WDR* [*World Development Report*]-this is not a research story, but it gives you an idea of an attitude—it is common to have text boxes in the *WDR* that



have examples of things. We were interested in some negative examples and had a couple of text boxes with negative examples. I got a comment back from a country director who obviously was unhappy about the fact that I was using his country as a source of a negative example. He said as far as he was concerned, negative examples never served any useful purpose. The lesson I drew from that is that managers only like negative examples from discredited regimes; that is to say, if you want to use a negative example about something Fernando Marcos did, that's okay. But if there's any sitting government that you want to hold up as a bad example of something, the Bank is going to have a very hard time doing that for, essentially, diplomatic reasons. And that's something that I also have observed on the evaluation side. And we can talk about that later.

But I think the Bank has done a reasonable job. I mean, you can look at the most recent episode, which is Bill [William R.] Easterly's book, and I mean my own view about that is . . .

**ZIEGLER:** This is the one on *The Elusive Quest for Growth*, right? [Easterly, William R. *The Elusive Quest for Growth*. MIT Press, 2001.]

**INGRAM:** Yes.

**ZIEGLER:** He's had two recently.

**INGRAM:** The first book he put out—he wrote the book, had it published outside the Bank, and then he wrote an op-ed piece in *The Financial Times*. Everybody who is a senior staff in the Bank knows you don't write op-ed pieces in the press without clearing them through External Affairs. He wrote the op-ed piece and claimed he didn't know that. And he ultimately left the Bank and has continued to pursue the logical conclusions of his empirical work. Bill is driven by his empirical results. What he reports on is what he has found.

**ZIEGLER:** You're saying he is intellectually honest.

**INGRAM:** He's absolutely intellectually honest. But the business of going the op-ed route I thought was a bit remarkable at the time.

**ZIEGLER:** I can recall in, I think it was around 1977, with the [Zulfikar Ali] Bhutto regime in Pakistan, I was astonished to read a letter highly critical of that regime from Mahbub ul Haq, when he was a Bank staff member. It was published in *The Washington Post*. Now, he managed to weather the storm, but I was astonished that a senior Bank figure would roundly criticize a sitting government.

**INGRAM:** When I grew up in the Bank, we all knew that you weren't allowed to do that. You weren't allowed to write letters to the editor that would imperil Bank relationships with member countries. And you're not allowed to run for national office, or be politically active. And basically, you don't write op-ed pieces for the paper without talking to people in External

Affairs. It was a pretty amazing thing. But that having been said, he was at the time defended by the chief economist, who was Nick [Nicholas H.] Stern.

**ZIEGLER:** I think you're right.

**INGRAM:** And, you know, there's a sense in which it sort of makes the case.

**ZIEGLER:** Yes.

**INGRAM:** There were a few other cases. There was a famous case—I don't remember the details of it—where a Bank staff working paper earned the wrath of Ernie [Ernest] Stern at one point. But the thing is, when that happens, people never argue on the basis of the analysis. It's always the fact that people don't like the conclusions. But I think the Bank has actually acquitted itself pretty well.

That said, the Bank, I think, is in as much danger now as ever of seeming to use its research publications as an arm of the External Affairs Department. The chief economist has to be constantly vigilant about maintaining the integrity of the intellectual operations of the Bank because there are lots of other people for whom that is not a priority. They don't understand the importance of that, and the chief economist really is the individual who has to wage that fight. And the chief economists have acquitted themselves pretty well in that area.

**ZIEGLER:** In the summer of 1987, the World Bank underwent a thorough reorganization, or some of us prefer to say, "disorganization," but never mind.

**INGRAM:** Yes.

**ZIEGLER:** Among the results was the establishment of the Policy Planning and Research Senior Vice Presidency. Did you have any role in formulating and establishing this new organizational entity?

**INGRAM:** No, there was a committee of staff set up by [Barber B. ] Conable, and I was not a member of the committee. I was not marching in the parade. I was standing on the sidelines or standing in the road having it walk over me, whichever . . .

**ZIEGLER:** I had the good luck of being on the Executive Committee of the Staff Association during the reorganization. That was "fun," if I can put that in quotes.

**INGRAM:** Yes.

**ZIEGLER:** How did the reorganization of 1987 affect you personally?

**INGRAM:** Well, I had been director of the Development Research Department up until the reorganization was implemented, and I emerged from that as senior adviser to the new urban

department, which was called the Transport and Urban Development Department , TUD, and was headed by Louis [Y.] Pouliquen. I did that job for a year. So, yes, it moved me from one job to another, from research management back to urban, not a particularly bad outcome.

**MR. ZIEGLER:** But in the institutional musical chairs, you found a seat.

**INGRAM:** Yes, or a seat found me. Those days were so peculiar. It was interesting to me how the market cleared, and how personal information became paramount at that point. I engaged in some of this myself. I would call up, for example, you, Charles Ziegler, and say, “Charles, my name is Greg Ingram. We’ve never met, but we have a mutual friend named ‘X’, and I’ve talked to that person, and they’ve recommended you. On the basis of their recommendation, I’d like to offer you a job as a senior economist in such and such division.” And it was all done at that level. I can remember calling people about jobs and being told, “Well, I’ve just accepted a job somewhere else. Too bad you didn’t call me yesterday.” The whole thing was chaotic.

**ZIEGLER:** One person whom I consider knowledgeable has effectively said to me that he felt that it introduced feudalism in the Bank. Rather than owing your allegiance to the institution, people after the 1987 reorganization began to owe allegiance to a vice president or a department director, or something like that.

**INGRAM:** That’s exactly true. This was—as a friend of mine put it—“follow my leader”, so that large numbers of staff that were in the Central Policy Staff ended up in Latin America because the vice president of Central Policy Staff moved to Latin America, and all of the positions were filled with a cascade from the top down.

**ZIEGLER:** Or an avalanche, as I like to call it.

**INGRAM:** Yes.

**ZIEGLER:** I’m making my own views too transparent here.

**INGRAM:** Cascades or avalanches, I’m not sure which I prefer. In any case, it was a remarkable time, and it certainly affected the attitude of the staff towards the institution. My personal index was how many cars were parked in the Bank garage on Saturday. Shortly after the reorganization, the Bank garages were empty on Saturday. A year later, by the way, a lot of cars were in the garages on Saturday. It took a year for the place to come back. But basically, people had the view, “I guess it is just a job,” instead of a calling. And it took a while for that to change.

**ZIEGLER:** From your personal perspective, was the 1987 reorganization a success in institutional terms? In other words, I think we both made our views somewhat clear on this reorganization, but the point is did it—when things got shaken out, as you said, for instance a year later people began to drift back and resume their old working habits. But were we a better Bank as a result of the reorganization, when all is said and done?

**INGRAM:** I think there have been some positive outcomes and some negative outcomes. Let me mention a negative outcome which took me 24 months to figure out, and let me make the point with an example. Before the 1987 reorganization, there was an Urban Projects Division in Latin America that covered the whole of Latin America. It had about 24 staff. There were similar units that did lending for other sectors, and that was true for every Region. There was a Regional division for each sector. If you have a Regional division for Latin America to do agriculture projects, say, and it's got 25 people in it, you can afford to have a dryland crops expert, you can afford to have somebody who does nothing but work on dairy issues. You can have, in a staff of 25, significant expertise on relatively narrow topics because you can spread that person's services over all 28 countries, or whatever it happens to be, in Latin America.

And what the reorganization did was to make the average size of units much smaller. It looks as if, in retrospect, one of the objectives of the reorganization was to increase the number of managerial jobs because the number of units increased significantly; therefore, the number of managers increased significantly. But you went from having one unit with 25 people doing, say, agricultural lending in Latin America, to having six units, each of which had four people. If you're in Brazil and you have a unit with, say, four to six people, and you're doing all the agricultural lending in Brazil, you can't afford to have a dryland crops expert. You can't afford to have a dairy expert. What you need are four to six generalists who can handle virtually everything.

What is really significant about the reorganization is by making the units smaller and making them country focused—and it's just sort of straightforward institutional reality, which would be true in any organization—it changes the character of the staff. If you have a dryland crops expert in Brazil's division, and he leaves to go somewhere else, you have to fill his position. Are you going to fill it with another dryland crops expert? No way. You're going to fill it with somebody who can handle all rain-fed agriculture, or something very much more broad. And so when people look at the erosion of the technical skills of the Bank, it's integrally related to the average size of the units, to the average number of staff in the unit. And I don't think people have still figured that out in the Bank.

I remember talking to [Visvanathan] Rajagopalan about this after the reorganization, where he was decrying the erosion of the technical staff. And I said, "Look, I'm an economist. You've got these managers out there, and they're making decisions. They're doing the best they can. They all think they're doing the right thing. What can you possibly criticize about this?"

And it took quite a bit of time for me to realize that the average unit size has everything to do with the skill composition of the staff. And so continued to this day—as a downside of the reorganization is that we've ended up with small units, and that's compromised the depth of the technical expertise of the staff. And that's not going to change until the average unit size changes. It's just straightforward organizational theory. It's the sort of thing that is well known outside the Bank, but not inside the Bank. The institution has this tremendous ability to resist or reject outside knowledge about these things.

On the other hand, on the flip side of this, is there's a lot to be said for country focus. There's very little—now speaking as an evaluator—there's very little hard evidence that country focus has bought us a lot. What we have to go on, the evaluative evidence so far, is based on going to the country and asking people, “What do you think about having a country office in your country?” And they say, “Oh, we like it. It's better than it was before.” But there's no other evidence that we have. There's no systematic evidence that we can use to evaluate the move to country focus. And the move to country focus has progressed from '87 up to the point where Wolfensohn decentralized staff. The whole decentralization change in the Bank has essentially no evaluative evidence to date on its impact. We do know that it has not reduced costs.

**ZIEGLER:** Interesting.

**INGRAM:** We do know that the number of staff in the country offices has increased dramatically, and we know that there are huge disparities in salaries between internationally-recruited staff and locally-recruited staff. So when you hear that the Bank has decentralized and you hear about the salary disparities, the first thing that comes to mind is, “Oh, the Bank is just like Nike. We're moving our production from North Carolina to Indonesia,” or whatever it happens to be. In other words, we're going to move production overseas to take advantage of low-wage labor; therefore, we would expect our production costs to go down. Well, our production costs did not go down. So that hasn't happened. So then the question is: Has efficiency or output gone up? Has the quality of the product gone up? We have no real evidence about that. One would think that the quality of supervision should have increased because it should be easier to supervise projects if you're in the field.

**ZIEGLER:** When you say there's no empirical data on it, has it been researched at all, though?

**INGRAM:** No. I have been to a few meetings about this issue. That's where I learned that there has been no cost reduction. So that's actually an issue. But that's well beyond the '87 reorganization.

**ZIEGLER:** Yes, but still very, very useful.

**INGRAM:** In a sense, there's a consistent set of changes that have happened from '87 on that have to do with country focus. And it would seem to me that country focus is a sensible thing.

You could have country focus, by the way, without having small sectoral units. There's no reason why you couldn't have a country office in Brazil and still have an agricultural division that serves all of Latin America because these small units dedicated to specific countries have helped to raise costs. For example, if your lending program suffers because there's a problem in the country, it's difficult to reallocate the staff, whereas, if you're sitting with a Region-wide division, it's easy to reallocate the staff from one country to another. And so the inflexibility of the staffing is another cost. But I think there are solutions to that.

I will also say, by the way, that the sector side of the Bank is the most frequently reorganized part of the Bank. Every couple of years things get changed, and it's about to happen again. I think it's happening even as we speak.

**ZIEGLER:** Well, it's 4:15. Do you want to continue a little further or . . .

**INGRAM:** Why don't we finish up. We finished up the '87 reorganization. Maybe this is a good place to stop. We have a lot to do yet.

**ZIEGLER:** Yes.

**INGRAM:** This is useful.

**ZIEGLER:** Thank you very much, Greg. I appreciate it very much, and we look forward to talking to you the next time.

**[End Tape 2, Side A]**

**[End of Session]**

**Session 2**  
**November 20, 2006**  
**Washington, D.C.**

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

**ZIEGLER:** Today is November 20, 2006. My name is Charles Ziegler, a consultant with the World Bank Group's Oral History Program. I have with me in the World Bank Group Archives Mr. Gregory K. Ingram, and we will be conducting the second session of his World Bank Oral History Program interview.

Greg, I'm glad you could join the Oral History Program for a second session. You had an interesting career in the Bank, so I think this is extremely useful. We'll start just after the 1987 reorganization, which is more or less where we left off last time. After the 1987 reorganization, you became, for about a year, the senior adviser in the Infrastructure and Urban Development Department of the Sector Policy & Research Vice Presidency. What were your duties in that capacity?

**INGRAM:** They were more on the intellectual side. I was involved in quality control, particularly on the written output—we were producing a lot of working papers at that time—and also helping set the agenda for the analytic work. I was working with Louis Pouliquen, who was the director. His knowledge and expertise was somewhat more on transport, and mine was on urban, so substantively I handled more of the urban side of the portfolio.

**ZIEGLER:** In July 1988, you became principal adviser to the Senior Vice President, Policy, Planning & Research, W. David Hopper. How did that appointment come about?

**INGRAM:** David had been in the job, I guess, for about a year, and one had the sense—I didn't particularly have the sense, but others had the sense—that he needed some help running his front office. Stan Fischer, who I had known, observed that and suggested to David . . .

**ZIEGLER:** That's when he was senior economist at the Bank, right?

**INGRAM:** When he was chief economist of the Bank. Stan was observing that and suggested to David that I might join him to help organize his front office.

**ZIEGLER:** What were your main duties as the principal adviser?

**INGRAM:** First and foremost, and surprisingly to me, it was error prevention. It turns out when you're working for a senior vice president and various documents are coming out of the office that he has signed or has pronounced upon, you really want to make sure it's all correct. It's basically good staff work, making sure your guy doesn't look bad. I hadn't even imagined that as being an important part of the job, and certainly when David and I had talked about the job there was no mention of that, but it became it clear as soon as I got there that it was really important

when memos go out, that your senior vice president looks like he has his act together. Such quality assurance took a fair amount of time because of the large paper flow.

**ZIEGLER:** Somewhat naively if I could ask, were your main reviews before he looked at the material or after—you say he signed off on these, so presumably he wasn't writing it all himself?

**INGRAM:** No, both actually. It was both, because he also would make changes, and so at the end of the day, when the document's going to go to the Print Shop, if it doesn't make sense, that would be a real issue. I also briefed him for meetings.

In addition, when he was in town, which wasn't all the time because he traveled a fair amount, there was a weekly staff meeting of all the vice presidents and directors in the domain that he was directing. I organized those meetings and set their agendas. Those meetings turned out to be a major management tool, because all of the policy papers that were being written for all the sectors came to those meetings for review and discussion. So any policy product that came out of the senior vice presidency came through this meeting and was discussed there.

The third thing I did, which took a lot of time as well, was to oversee preparation of the overall budget and work program for the senior vice presidency. These were the days when Bob [Robert] Picciotto was running the budget side and the budget process became progressively elaborate. I was preparing large volumes of work program and budget documents. This wasn't something you did a month before the budget was submitted. This was something that went on most of the year.

So those are the three major things that I was doing for David and also for Wilfried [P.] Thalwitz, when he replaced David.

**ZIEGLER:** How would you characterize your relationship with Mr. Hopper and his successor, Wilfried Thalwitz?

**INGRAM:** I thought we were quite simpatico. I admired both men. They were quite different. David Hopper has a brilliant mind, and a relatively short attention span, particularly with respect to management issues. He didn't have a lot of tolerance for management.

To give you an idea, I would brief him for the Management Council or President's Council meetings. I would walk over to the meeting with him, which wasn't so far away—we were all on the 12th floor—and I would brief him while we were walking to the meeting. By the time he got to the meeting door, he got the messages, he'd thought of a joke to introduce it, and he was ready to go. He took a briefing better than anybody I worked with at in the Bank. He was just very, very quick. But as I said, management was not something he had a lot of patience for.

Wilfried was a caring and committed Bank hand—one of nature's noblemen. He was dedicated to the institution, and what he was trying to do was to increase the connectivity between the policy shop and operations. That was his objective.



**ZIEGLER:** Was he successful in that effort, do you think?

**INGRAM:** I think he was as successful as one could be. He did spend a lot of time agonizing about it. Paul Isenman, who joined the front office, and I would prepare speeches for him. Wilfried was constantly revising the speeches. He revised the speech up until the minute he walked into the room.

**ZIEGLER:** The reason I ask is because one of the things that's always interested me is, in terms of when we take operations, how the different policy sides feed into operations. How do you translate, for instance, research results into practical operational results, and the same with development policy, even Operations Evaluation, which we'll get into later with you?

**INGRAM:** That's an interesting question, and this may repeat or anticipate other things that we'll talk about.

One of the ways—the most effective way, in my experience—of translating research into policy is through what I called embodied dissemination. That is, you send the researcher off on the mission and he interacts with the people on the mission, then his chapter on the housing sector or his chapter on public finance reform or whatever certainly reflects the current thinking.

There are other sorts of instruments, such as Bank policies. For example, you can look at the Bank's education policy, which gave and has given for a long-time pride of place to investments in primary education. The policy position of giving priority to primary education is based on research that the Bank carried out. The rate of return to primary education is very high in countries where literacy rates are relatively low. And the Bank's education policy for the last 20 years or so has emphasized investments in primary education. That's something whose roots go right back to research done inside the Bank and outside the Bank as well.

**ZIEGLER:** A review of the activity's background paper for a Board seminar on what had been renamed the Policy Research & External Affairs Senior Vice Presidency, or PRE, dated July 12, 1990, states, “The objective of PRE is to increase the Bank's effectiveness and leadership in anticipating, emphasizing, and resolving key development problems.” The means by which this ambitious objective was to be obtained included research and policy work; gathering, assembling, and disseminating economic financial and social data; acting as a conduit between the Bank and the outside world, including responsibility for what was then the Economic Development Institute and the External Affairs Department; acting as a repository of specialized technical expertise needed on a Bank-wide basis for ensuring that the Bank remain up to date in its skills; and for promoting professional synergy among the specialists in central and Regional technical departments.

This seems to me—admittedly as an outsider in this matter—a rather large span of control over units performing somewhat disparate functions. In your view, what were the primary challenges

in managing the senior vice presidency, and do you believe the challenges were successfully addressed?

**INGRAM:** The challenge that we faced in PRE was making the whole at least equal to the sum of the parts. I have to say this characterizes the challenge for the entire institution. So since this senior vice presidency embodied a lot of the Bank, it's not surprising that Bank-wide problems would manifest themselves there.

The major instruments for coordinating activities were the budget and work program that I just talked about. We did spend a lot of time and energy getting the budget incentives right, and making clear what we thought the priorities were that were worth paying for.

There was a second instrument of these weekly meetings that I mentioned, which was to have all of the vice presidents and directors discuss whatever current major policy paper or policy project the senior vice presidency is working on. Every sector paper came forward and came through this meeting.

By the way, one thing almost got to be a standing joke for me. Virtually every sector paper that came up proposed there should be a dedicated tax for the sector. For example, there should be earmarked revenue for primary education, there should be earmarked revenue for road maintenance, and there should be earmarked revenue for agriculture research, whatever. And at this meeting, all of these earmarked taxes would be challenged and pretty much taken out of the papers. So there was a set of similar views, or a narrowness of vision in some sense, at the sector level. When you got all the sector managers together, however, they did tend to take a broader view.

PRE was also responsible for staff training, and a certain amount of work went on in that area. Stan Fischer convened a task force, for example, to examine staff training, one of the first of a number of such working groups that the Bank had put together in the last 15 to 20 years.

I think that the potential loose end in this was External Affairs. External Affairs certainly came to the meetings and participated in them, but it's not entirely clear to me that there were real benefits to External Affairs; I don't think they benefited to the same extent as the sector vice presidencies from the interchange.

But let me make an additional comment here. PRE brought together both development economics and all the sectors. The management of the sectors in the Bank has always been a challenge. I think if you look at the history of the Bank in the 27 years I was in it, the central sector departments were reorganized more frequently than any other part of the Bank. That may be going on even as we speak now as sundry sector vice presidencies are being consolidated. The Bank has never quite settled on how to manage those central sector departments.

**ZIEGLER:** Do you have a particular view as to how they should be managed, or are you still looking also?

**INGRAM:** I think when all the sectors became vice presidencies that they became a bit top heavy.

In the time that we were talking about in PRE, the sectors were departments ,and there was a single vice president. At the time of these meetings we're talking about, it was Rajagopalan, and then there were five sector departments below him. Subsequently the sector departments blossomed into vice presidencies, and I don't think that was particularly a good idea. I think that actually reduced communication across the sectors.

There's something else that happened, which we'll get to, I think, in a minute, and that is in the '90s—not in this period but five years after the period we're talking about now—the Bank essentially reduced the resources going into sector research very significantly, and I think that has harmed the sectors quite a bit.

**ZIEGLER:** Yes. In researching questions and topics for this interview, I came across in the files a draft that you had prepared, apparently for Mr. Thalwitz, of an introduction for a 1990 colloquium on policy directions. In it you wrote, quote:

“I want to assure you that there is no black box or secret process that determines the Bank's development agenda. Rather ,there is a collaborative process that we in PRE coordinate but that the whole Bank and the development community at large contribute to. To identify and screen ideas we draw on the experience of operations, including their innovation and experimentation, PRE's own program of research, evaluation, and policy work, and a wide range of contacts among analysts and practitioners in our borrower and donor countries. One of my key objectives is to increase the effectiveness of this virtuous circle that constantly improves our knowledge and our operations and identifies new challenges.”

Unquote. Please reflect and expand on ways in which the Bank's development agenda was coordinated by PRE, and how it would endeavor to increase the effectiveness of what you call the “virtuous circle.”

**INGRAM:** Okay. First of all, the research staff that were in PRE—certainly in DEC, but there were also at that time some research staff in the sector departments—normally would spend about 30 percent of their time on cross-support. So through what I call embodied dissemination, a third of the staff time of the researchers was spent on operational missions. They were out interacting with operational staff and acquainting themselves with issues in the field. So there was a strong link there.

There's also a fairly strong link between the research community in the Bank and the research community outside the Bank. I once did an analysis toward the end of my term as director of the Development Research Department of where the staff in the department came from and where they went. About 80 percent of the staff in the research department came from outside the Bank.

Of those who then left the department, about half left the Bank and went back to academia, and half went into operations. So this flow of personnel is another source of interaction and embodied dissemination between research and the Bank. There's also a bit of movement back from operations to research, but not very much.

There was also a Research Committee, which usually was peopled by, among others, the regional chief economists. The Research Committee's job was to advise the chief economist of the Bank about the research program and to take decisions about funding of larger research projects. So there is a strong link between research priorities and the senior managers, at least the senior managers on the analytic side of operations. And the Research Committee's role was expanded during this time period. It had been reduced significantly when Anne Krueger had been chief economist of the Bank. She had set up an additional body—the Research Policy Council—above it to manage her large comparative projects, and the Research Committee's role was diminished. Subsequently, when Stan Fischer came back, this other body disappeared and the Research Committee resumed its more traditional role of interacting and linking research to operations.

So those I think are the key links. I have to say again here that External Affairs did not play a very significant role in this.

There was a strategic planning group, though set up after the '87 reorganization. It existed for two-and-a-half to three years. It grazed all over the Bank, intellectually speaking, and it was doing things like trying to anticipate coming issues. It made a list of what it thought the next five *WDR* topics would be. And in retrospect, of the next five *WDR* topics, it correctly identified four of them. Moreover, the strategic planning unit of the Bank was the one group that was actually saying things that turned out to be useful about what might happen in the Soviet Union. Not many people in the Bank believed them . . .

**ZIEGLER:** Or anywhere else.

**INGRAM:** Or anywhere else.

**ZIEGLER:** All the prognostications on the Soviet Union—well, many of them—were way off, from what I recall.

**INGRAM:** The strategic planning unit of the Bank did pretty well. And then after about two-and-a-half or three years, it was abolished and has never returned.

**ZIEGLER:** Do you recall who was the head of that . . . ?

**INGRAM:** Alex [Alexander] Shakow was, I believe, head of it, and there was a fellow from Peru, who's name I will think of in a minute [Francisco R. Sagasti], and Bob [Robert B.] Liebenthal.

But anyway, the basic point of this comment is that it isn't the case that the chief economist is in a vacuum or lives in a hermetically sealed chamber. In fact, the chief economist and the research staff are mixing it up with the rest of the Bank, and the rest of the Bank is mixing it up with them. That was the thought that was behind this "virtuous circle." Given the turnover of staff on the research side, which is fairly high, and the movement of them either into operations or out of the Bank, you don't get a lot of rigidity on the research side. I mean . . .

**ZIEGLER:** In what sense?

**INGRAM:** I'll call it intellectual rigidity. I think the research side of the Bank was probably less flexible when Hollis was there, because Hollis had a view about structural change as a way of analyzing the economy, and he was also drawn to large-scale models. He was quite tolerant intellectually of other people doing other things, but he certainly didn't spend any of his time or energy working on them. But I think the research side of the Bank has been pretty eclectic, and an awful lot of interesting things have bubbled up on the research side over time.

**ZIEGLER:** Did the accession of the states that composed the Soviet Union and the states of Eastern Europe affect the work of PRE to any significant degree? Because that was going on when you were there.

**INGRAM:** Indeed. The answer is yes. There was a group of people led by John [A.] Holsen, who did a white paper on what could be done in the Soviet Union and what role the Bank would play [International Monetary Fund, World Bank, OECD and EBRD. *The Economy of the USSR: A Study Undertaken in Response to a Request by the Houston Summit*. Vols. I-III, 1990].

In addition, Stan Fischer set up a division headed by Alan [Harold] Gelb in the research department specifically to study economies in transition [Socialist Economies Reform Unit]. That in some sense reflects the sort of flexibility point I was mentioning earlier. So yes, a unit was set up, which is of course—as I said in the earlier part of the interview—the way the Bank responds to change. You can't just tell people to do something. If you really want to send a signal to the staff that environment's important, you set up an environment department. And basically, Stan set up a division of transition economies. And Alan Gelb then went on, by the way, to do the transition *World Development Report*, which was in '96 [*World Development Report 1996: From Plan to Market*].

**ZIEGLER:** In March 1991, you became the Research Advisory Staff administrator. What were the circumstances leading to that appointment?

**INGRAM:** Dennis de Tray had been running the Research Advisory Staff in DEC for quite some time, and Dennis went off to become a division chief in Colombia, which is an example of somebody moving from research to operations. That position came open—Johannes Linn at that time was playing an advisory role in Larry [Lawrence H.] Summers' front office, and Johannes suggested I might be a good candidate. I had a conversation with Wilfried, and he thought it was

a good idea, so off I went, and I was happy to do that. It brought me back to research and research management.

**ZIEGLER:** Which feeds into the next question, which is: what were your primary functions and responsibilities as Research Advisory Staff administrator?

**INGRAM:** First of all, to manage the Research Support Budget, which is an internal fund in the Bank. At the time that I moved there, it was about \$5 million a year. It's used to fund research proposals that are written by Bank staff or sponsored by Bank staff, rather unique among corporate enterprises. The Research Support Budget is essentially competitively allocated. It's extremely rare to have any resources allocated competitively within a corporate environment, yet the RSB is allocated in this way.

In reviewing research proposals, different processes were applied to requests for different amounts of money. I could personally approve requests up to \$30 to \$35,000. From \$35 to \$100,000 there would be one external and one internal review, and above \$100,000, two external reviews. The Research Committee would review all these larger proposals. And the Research Committee's job was to advise the chief economist, who decided what to fund. So my responsibility was to oversee the reviewing of all the proposals—and we got about a hundred proposals a year—setting the agenda for the Research Committee, and managing the budget.

**ZIEGLER:** This is how it became—this is how it could be described as competitive, then, this sort of percolating up from—it's a bottom-up process . . .

**INGRAM:** Anybody in the Bank could send in a research proposal. So it could come from DEC, it could come from operations, it could come from the sector department. Anybody, any professional in the Bank could submit a research proposal, and they did.

Second, the office managed the Bank's journals. The [*World*] *Bank Research Observer* and the *World Bank Economic Review* were established by Anne Krueger, and the editors were members of the Research Advisory Staff. When I arrived, Mark Gersovitz was hired as the editor of both journals. Subsequently, Moises Syrquin became editor of both journals. Then the decision was made to separate the editorship, so toward the end of my term Shantayanan Devarajan became editor of the *Research Observer*, and Francois [J.] Bourguignon became editor of the *World Bank Economic Review* [WBER]. Shortly after that he, of course, became chief economist of the Bank, but he had been editor of the WBER.

**ZIEGLER:** Did it have anything to do with the *Finance and Development*?

**INGRAM:** No. I actually was on the editorial board of *Finance and Development* for four or five years in the 1980s, but my office had nothing to do with that. *Finance and Development* was funded out of the Office of the Publisher.

When Mark Malloch Brown came in as the head of External Affairs, he carried out a survey of opinion makers around the world, and he decided that the Bank should withdraw its funding from *Finance and Development*.

**ZIEGLER:** It had been set up jointly with the Fund back in the '60s; 1964, I believe.

**INGRAM:** That's exactly right. And it was published in, I believe, seven languages. About 250,000 copies were printed, and it was costing the Bank \$900,000 a year. If you went into any minister's office in any developing country, *Finance and Development* was sitting on the coffee table for visitors to read. Mark, in his wisdom, decided it didn't make any sense and withdrew funding from it. The Fund, of course, has continued with it, and it continues to this day.

I have to say I was surprised at the decision to withdraw Bank support from *Finance and Development*. It never made sense to me at the time because its reach was extraordinary and continues to be extraordinary.

**ZIEGLER:** And so, well, *Finance and Development*, so . . .

**INGRAM:** That's right. The whole thing was bizarre, but that's what happened. But, no, the Research Advisory Staff had nothing directly to do with *Finance and Development*.

**ZIEGLER:** You had been, of course, in the research complex before; now, in the scheme of things, you've returned. Did you notice any significant changes from your previous time in the research complex?

**INGRAM:** Yes. But before I answer that question, let me mention one other thing that the Research Advisory Staff did, and that is, it managed the *Policy Research Working Papers*, and the Bank at that time was putting out about 250 *Policy Research Working Papers* a year. So we oversaw those papers and their printing and placement on the web. While they were disseminated on the web, they were not formal "publications."

Now, turning to the significant changes from my previous time in the research complex, yes, in the early '90s—as I mentioned earlier—there was a significant decline in Bank expenditure on research. Bank expenditures declined in nominal dollars, from something like \$32 million to about \$25 million in the early '90s.

**ZIEGLER:** Did you ever find any reason for that, and how was this decision taken? Do you have any idea?

**INGRAM:** Yes. Shortly after I went to the Research Advisory Staff, I had lunch with Sven Sandstrom, and Sven asked me if DEC would be able to carry out sector research instead of the sector departments. And I said to him, "Yes, it could. If management wanted to transfer the responsibility for doing sector research to DEC, DEC could do it, but it wouldn't be able to do it if they didn't transfer the resources that would enable them to do the research." And

management proceeded to transfer the responsibility but not the resources, and there was a profound decline in sector research in the Bank over that time period. And this was documented in the research reports that I sent to the Board. We had graphs showing what was happening. And DEC, which historically had been doing around half of the research in the Bank, then emerged doing 70 to 80 percent of the research in the Bank. But the pie shrank in terms of non-inflation adjusted dollars being spent on research, with a profound shrinkage on the sector side. That was the big change.

**ZIEGLER:** Did you ever find the reason why—the reason for the change?

**INGRAM:** No. I'm assuming that resources were tight, and to save money they made the decision to cut the research budget because that's what they did. They essentially reduced research at the Bank.

This occurred a bit before, but continued on, during the time that we started talking about a knowledge bank. And it was supremely ironic that at the time when the Bank was beginning to promote itself as a source of knowledge, that its actual expenditures on research went down quite significantly.

This also marked the end of research in the sector departments. This is when the sector directors became vice presidents, or in the jargon there were thematic vice presidencies known as TVPs. When those were set up, their staff was told not to book time against research. Those departments had many staff that were capable of doing research. This led to a huge reduction in research in the sector departments and on the sectors themselves. A few staff would still get money from the Research Support Budget, but it became much more difficult.

When Michael [P.] Bruno was recruited as chief economist of the Bank, he later shared with me that he was told by [Lewis T.] Preston that research expenditures at the Bank would be reduced, and Michael would have to come on board knowing that and supporting it. So this was a management decision. What the rationale for it was, I don't know, but it was not an accident. This was not an unintended consequence. Management wanted to do something and they did it. Again, it's a peculiar decision, given the role of the Bank in the world.

**ZIEGLER:** Yes.

In a July 15, 1991, memorandum to development economics directors and senior staff on the results of a recent DEC retreat, chief economist Lawrence H. Summers wrote the following, recalling the culture of DEC: "The need here is for more movement away from writing long, unexceptionable, and unenlightening papers. We should prepare executive summaries before—not after— papers are written in the future. They should contain evidence-backed propositions with which a sensible person could conceivably disagree, not bland generalities. I also expect to see increased efforts to involve individuals who do not toe the Bank line in our work." Unquote. One can understand why he encountered difficulties in the Bank and at Harvard. In your experience, did DEC move in the directions hoped for by Larry Summers?



**INGRAM:** Yes. And before I do that, let me give you another relevant Summers' anecdote. He once came into a meeting and read the first paragraph of an executive summary of a paper, and then he re-read it. I don't remember what it was about, but let's assume for a minute that it was about local public finance. He re-read it substituting the health sector for local public finance, and it still made perfect sense. He observed that if you changed the major nouns in a paper and it still made sense, that was an example of a paper that was not saying anything of any significance. Larry has a way of making his point in a memorable fashion.

I think the big change in DEC that happened around this time was the beginning of the production of *Policy Research Reports*. I don't know how many of them have been put out by now, but probably 15 or 20. The first one dealt with the East Asian Miracle. A *Policy Research Report* is a 200-page book that essentially takes Larry's view of putting together so-called evidence-backed propositions and making assertions. It's not so much basic research.

Another way of making the same point would be to take the style of the *World Development Report*, which is to mobilize information and embody it in a storyline with a set of messages. The storyline and the messages are derived from research, but the *World Development Report* is not an original research document. It's more of a research digest.

The *Policy Research Reports* that DEC was putting out were not as extreme in this style as the *WDR*, but they were not reporting on individual research projects. They were putting together material from many sources to produce "a view of the East Asian Miracle" or "a view of reform in the financial sector," or whatever it happens to be.

The other thing that has happened progressively over time, which is also consistent with this, is the spin off of a set of products that were embodied in the original design of the *WDR*. The original *World Development Report* had Section 1 and Section 2. Section 1 was a review of the global economy, and Section 2 had a thematic focus. When Stan Fischer was chief economist, he took Section 1 out and turned it into a stand-alone document, which is the *Global Economic Report* that's done now. Subsequently the set of tables in the back of the *WDR* were pulled out and turned into *World Development Indicators*. So the *WDR* has been disassembled into component pieces, and those pieces are now marketed as separate accessible documents.

There's been a move in the Bank to produce what I'll call more accessible, more message-laden research reports, which digest research and pass it along to readers. So I think there has been some response to Larry's observation.

**ZIEGLER:** He also says here about expecting to see increased efforts to involve individuals who do not toe the Bank line in our work. What's your feeling—well, what's your experience with—how do I put it—rational or reasoned dissent in these matters? I'm not talking about carping criticism, but to me the Bank has never—from my rather lowly perspective, the Bank has never struck me as being particularly friendly toward those with different views from that of the institution. William Easterly would probably be a classic example of that.

**INGRAM:** Indeed, we discussed Bill Easterly earlier. There were other cases that involved *Policy Research Working Papers* reviewed by the Research Advisory Staff. And we had more than one dispute about *Policy Research Working Papers* where a particular piece of research was done and it led to a conclusion that made a Regional vice president unhappy.

I mentioned one example earlier. A paper was produced about what the effect of the North American Free Trade Agreement would be on Mexico. The researcher argued that there would be some costs borne by the Mexican economy, not just benefits. And the Regional vice president took great umbrage at that, and spent some energy trying to get this report removed, but was unsuccessful.

There was another case involving Ernie Stern. He was senior vice president of the Bank and took exception to a report, which took a position that he personally disagreed with.

So, yes, there had been cases like that, typically about one case a year in my experience involving *Policy Research Working Papers*.

**ZIEGLER:** But were these reports quashed as a result?

**INGRAM:** No, they weren't once they were *Policy Research Working Papers*. There was another case where a report didn't get to me, and was quashed for a while. It involved an analysis of automobile restrictions in Mexico City, which were designed to reduce air pollution. The author of that piece analyzed a scheme that involved restricting car use based on odd-numbered and even-numbered license plates. One could drive an odd-numbered one on one day, and an even one the next. What he found was that people were buying additional cars. And of course, the additional cars they were buying tended to be older cars, which were highly polluting cars. So old highly polluting cars were being kept on the street longer than they would have otherwise, and he argued this was actually degrading air pollution in Mexico City. This made the division chief for Mexico very unhappy, and he made life very difficult for this author. However, the paper was eventually published in an academic journal. There are certainly lots of cases in the Bank where there has been dissent about research findings, but in general the Bank has handled that fairly well.

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

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

**ZIEGLER:** What were the major areas of emphasis in World Bank research activities during your time as administrator of the Research Advisory Staff, and was there a significant evolution in these areas over this time period?

**INGRAM:** The areas that consistently received the most resources were macroeconomics, adjustment, and growth, the basic set of macroeconomic issues. Research on trade, which had grown significantly when Anne Krueger was chief economist, then came back again in the '90s.

There was a renewed interest in trade negotiations, renewed interest in the southern cone, and then the sequencing of trade liberalization, and work on finance. There was a fair amount of work on East Asia.

On the sector side, the one sector which did better than all the other sectors was environment, which used a mix of internal funding and a great deal of external funding for research.

**ZIEGLER:** Which units in the Bank were in your view most supportive of research efforts, and which the least?

**INGRAM:** Obviously, Development Economics is very supportive of research. That's what they do, and it's the main part of their work program. The Regional chief economists have always been very supportive of research at the Bank. Beyond that, there are individuals scattered all over the Bank who are very supportive of research.

If you think of the Bank as a big industrial enterprise, the research staff do the research, and other people are on the production floor making the widgets, or whatever it happens to be. In the Bank there are significant numbers of people on the "shop floor"—that is, in operations—who have quite credible research credentials and significant lists of publications.

There is a net movement of staff from research to operations. That means that operations has many very capable people who are well informed, have views, and have a lot of research capability. That distinguishes the Bank from most other organizations, where it's usually the case that the operations staff and the research staff have very different skills. The Bank has a tremendous infusion of research capabilities through the institution. Research is widely supported in the Bank, and that's one of the reasons why staff from anywhere in the Bank can ask for support from the Research Support Budget. There are qualified people throughout the Bank who want money and have ideas, so it's a great opportunity for them.

**ZIEGLER:** Please discuss the interrelationships between the Economic Development Institute, which of course is now the World Bank Institute, and Bank research in general, and DEC in particular.

**INGRAM:** The EDI/WBI has reported to the chief economist of the Bank on and off. For example, when I was the director of the Development Research Department, EDI did not report to the chief economist. That was partly because Anne Krueger's husband was working at EDI, and it wasn't administratively feasible to have that happen. After the '87 reorganization, of course, EDI was incorporated into PRE and there was a reporting relationship to the chief economist that continued until Joe Stiglitz was chief economist of the Bank. About year or so into Joe's tenure as chief economist of the Bank, the World Bank Institute was abruptly removed from DEC and set up on its own, at which point the head of WBI became a vice president in the Bank.

The way that happened was that WBI had a large budget, and Joe announced that all DEC units would at the beginning of the fiscal year allocate five percent of their budgets to the chief economist's office for reallocation. Shortly after Joe issued that *ukase*, the World Bank Institute was transferred from his control.

**ZIEGLER:** So there.

**INGRAM:** So there. But in any case, the chief economist has played varying roles with respect to WBI, and it's been separate from DEC since it was moved away from Joe, but it had been separated at other times in the past.

The other comment I'll make is that the World Bank Institute develops a lot of teaching material. It doesn't really carry out research. Although it has some of its own publications, its publications tend to be teaching material. It has used and drawn on some DEC research, and drawn on some DEC researchers. Over time, my impression—from the time I first joined the Bank—is that the World Bank Institute has become much more self-contained. In the late '70s I would give lectures in EDI, as would other non-EDI staff. There was lots of movement of staff back and forth. My impression is that that has attenuated significantly.

**ZIEGLER:** It was that way at the very beginning, too. I remember doing some historical research on it. One of the things that would happen is that people from the Bank would come over and give lectures to the students, give them the benefit of their experience.

**INGRAM:** That's right. My impression is that largely came to an end.

The other thing that happened was the World Bank Institute was given responsibility for Bank staff training. My own view has been that was a very risky thing to do because the staff are in the building and can really lobby the World Bank Institute if things aren't going well, and the other clients that the World Bank Institute has just don't have the same entrée, and they don't have the same leverage. So by giving them responsibility for training staff, my fear was that the staff training would take over the Institute. I don't know that that's happened particularly, but I do think that was not a very good idea.

**ZIEGLER:** Sort of like the inmates taking over the asylum?

**INGRAM:** Well, it's the urgent crowding out the important. The guy next door comes over and pounds on your desk, whereas your client in a developing country just can't be as compelling.

**ZIEGLER:** Mr. James D. Wolfensohn arrived as president of the World Bank in mid-1995 with a reform agenda very much in mind. Did he undertake to make any significant changes in the Bank's research complex?

**INGRAM:** No, not really. Michael Bruno was chief economist to the Bank, having been appointed by Preston, and Jim Wolfensohn had a lot of respect for Michael Bruno. Bruno in

return, I think, handled Jim Wolfensohn very well. He taught Jim a lot of macro when he could. So no, Jim did not intervene in the research complex very much at all.

**ZIEGLER:** It never struck me that that was his primary focus of interest in any case. He wasn't a research type.

**INGRAM:** Well, at the same time, Jim Wolfensohn was the chairman of the board of the Institute of Advanced Study at Princeton . .

**ZIEGLER:** That is true.

**INGRAM:** . . and it wasn't all clear coming in what would happen. But as events turned out, he did not view research as a place to spend his energy, and that was either because it wasn't on his priority list, or it was because he didn't think that's where the problems were, or both.

**ZIEGLER:** How would you characterize the involvement with the Bank's research complex of Presidents [Robert S.]? McNamara, [Alden W.] Clausen, Conable, and Preston?

**INGRAM:** McNamara brought Hollis Chenery in as the first full-blown chief economist, setting up a research program. Hollis set up the Research Committee; he set up the external research fund; he set up this internal competition, which continues to this day. So McNamara really formalized research at the Bank through Hollis and was very supportive of Hollis, certainly up until the last couple of years of the regime, I would think.

Clausen appointed Anne Krueger as chief economist. He pretty much ignored research. I was director of the Research Department for four years, and I never had any particular communications with Clausen about anything. He was just not particularly interested in research, or less interested in research than other aspects of what the Bank did.

Conable was interested in and supported research at the Bank. He brought Stan Fischer in, who was just a terrific chief economist. He also brought in Larry Summers. So he thought about it, and was fairly interested. Again, he didn't intervene particularly, but he made, I thought, very good appointments.

Preston was quite supportive of *World Development Reports*, but it was under Preston's regime that the research funding was cut.

**ZIEGLER:** As you mentioned, yes.

**INGRAM:** And then he brought in Michael Bruno and told Michael up front, "Hey, we're doing less research. Know that when you come in the door."

**ZIEGLER:** You co-authored a DEC note dated March 1996 entitled "World Bank Research in the Marketplace of Ideas." This publication stated, quote, "Recent surveys have found that the

Bank's research is widely disseminated, well regarded, and influential," unquote. Can you identify any trends with regard to dissemination of the Bank's research findings, the regard in which they were held, and their influence between your earlier time in the research complex and your time as administrator of the Research Advisory Staff, and, if so, offer some reasons for these trends?

**INGRAM:** Yes. Let me mention some of the elements that support this statement you just read about research being widely disseminated.

As administrator of the Research Advisory Staff, I took a report to the Board on the Bank's research program every two years, and I started turning those reports into evaluative documents—evaluating the Bank's research. We did various things in those reports. First of all, we identified the Bank's bestsellers, that is, how many copies of how many volumes were sold. Looking for those bestsellers, we determined the Bank had no records about how many copies it had sold of anything, but it did know how many it had printed, and it did know how many were left in the warehouse. So we subtracted those two. And then using those numbers, we identified the Bank's bestsellers.

By the way, we learned that if a book moved 8 or 9,000 copies, it would be in the top 10. The best, most widely disseminated book the Bank ever put out sold about 60,000 copies because it became a textbook in agricultural economics courses.

The second thing we did was to tabulate citation counts of Bank output using the Social Science Research Citation index, and that has been done about every five years now for the last 15 years. We looked at the use of Bank reports in graduate courses in development economics. Individuals outside the Bank compile reading lists and publish them. We looked at those more than once, and we found that half of the documents on these reading lists were Bank publications.

By the way, an interesting footnote to this is that the *World Development Report* is used on virtually every graduate student reading list in economic development, but it receives virtually no citations, and that's because it's not original research. If you cite the *WDR*, it would be as a straw man saying, for example, "Some people believe tenure security promotes agricultural output, see *World Development Report*," and then they would proceed to attack that position. So the *WDR* is rarely cited but widely read—a very interesting tradeoff.

We looked at the journals that the Bank puts out and their citation levels, and we determined that the Bank journals were among the most cited development economics journals. I believe the *Observer* is the second most cited development journal. We looked at the mentions of Bank work by the economists, by the *Financial Times*, and by others in the press. We found, by the way, that among newspapers, the *Financial Times* mentions the World Bank more than any other newspaper and the *Economist* more than any other business magazine, probably confirming what you suspected. We did a survey of 250 country users of Bank research and we surveyed Bank staff, so our findings had evidence behind them.

In terms of the change over time, I think the major change in research over time has been what I called earlier the production of more compendiums of research, the production of more volumes, which have the Bank's imprint on them. For example, Anne Krueger set up the Bank's journals. Earlier, Hollis had argued against the Bank having journals, his idea being that the Bank's work would be more credible if it's in journals that are reviewed externally. The counter argument was that such publication makes the Bank's research invisible. So the Bank journals were put in place largely to promote Bank work. I talked about *Policy Research Reports* earlier and about the other documents that were split off from the *WDRs*. There's been much more of an attempt to make research results more accessible. That's a big change over the past 20 years.

The other thing in terms of the Bank research, which I mentioned earlier, is the amount of money other multilateral development Banks spent on research, keeping in mind the Bank spends \$25 to \$30 million. The Inter-American Development Bank spent about \$2.5 million annually when I did the work in the late '90s. The other multilateral development banks essentially don't spend money on research. So in that respect, the World Bank's research program is huge, and it not only influences Bank operations, it influences the operational activities in all the regional development banks because they have no research programs, by and large. So the preponderance of the Bank and the responsibility of the Bank in development economics research are really quite large.

**ZIEGLER:** An issue we've touched on and maybe—well, I'll ask the question anyway. The *Report on the World Bank Research Program, Fiscal 2000 and 2001 and Future Directions* [Report No. 30151, April 25, 2002] notes that while demand for Bank research has grown, Bank funding for research declined 30 percent during the 1990s. In your view, what were the factors accounting for this decline in funding? You did mention Preston's decision, but this obviously goes a bit past that into more recent times.

**INGRAM:** The decline in research stopped pretty much at the end of the '90s, and then research funding was level, and now my belief is that it has begun to increase a bit. I know that the Research Support Budget, for example, was increased in size, probably around 2002. As I said, it was a management decision, and it meant that sector research in the Bank essentially diminished significantly.

I have to tell you an anecdote. When Michael Bruno left the Bank, he was the guest of honor at a reception in the 12th floor of the E Building. Michael gave his comments, where he noted with dismay that the External Affairs Department of the Bank now had a budget bigger than the Bank's research expenditure and that was too bad, and an allocation of resources the Bank might want to revisit. So this was something he was quiet about up until the day he left, and he made that comment. As I said, it was a decision that management made and . . .

**ZIEGLER:** And it was continued for close to a decade, I guess?

**INGRAM:** It was not increased when Wolfensohn came in, and Wolfensohn was pushing the knowledge bank. There was no increase in knowledge production. There was a huge increase in the packaging of information. There was a huge emphasis on the web. The way I used to convey this was to tell people, “What we’re doing is taking chicken parts and wrapping them in cellophane and making them look good, but we’re not producing any more chickens.” And that was a problem. We needed to acknowledge that new knowledge needed to be produced. We couldn’t just keep moving around existing knowledge like deck chairs. I had a real responsibility to tell the Board this was happening, and I did that in the clearest possible way, and it didn’t really lead anywhere.

**ZIEGLER:** You have worked with all the World Bank chief economists to date. What observations would you make concerning them? You mentioned Larry Summers, for instance, and Anne Krueger.

**INGRAM:** Let me go back to Larry for a minute, who was always a constructive critic. Larry would tell you what he thought and he would do it in a memorable way, but it was done in a way indicating to you that things needed to be done differently, and it was fundamentally constructive.

I think Stan Fischer was the most remarkable chief economist that I worked with. He was an unparalleled manager. This was remarkable because he had little or no management experience. He had never even been chairman of an academic department when he arrived at the Bank. He made a number of innovations. I mentioned he took the front end off the *WDR* and produced a new document; he established a Visiting Fellows Program; he caused the Bank to fund the African Economic Research Consortium where the Bank entered as a charter member. I think his changes in the two-and-a-half to three years he was here were the most lasting. And as I said, he was a superb manager. So I thought I would give him top marks.

I didn’t know Hollis all that well. Hollis came in and established the research side of the Bank and, in particular, set up the Research Support Budget, which has also stood the test of time, but I didn’t work with Hollis all that closely.

**ZIEGLER:** One chief economist who’s in the news—well, he’s no longer chief economist, but a gentleman who’s in the news, Sir Nicholas Stern with his Stern Report—did you have any particular views of him?

**INGRAM:** Most of the time that Nick was chief economist, I was in OED so I didn’t work with him all that closely. I was invited back as a member of the Research Committee and I did attend the meetings, so I saw Nick there. I thought Nick was a safe pair of hands, as the British say about cricket players. He was careful about what he did; he took the institution seriously; he worked on behalf of the institution; and, he put his name on a couple of volumes, particularly ones talking about the success of the development of enterprise. So, I think he did quite a credible job. He came in under very difficult circumstances.



**ZIEGLER:** Yes, I remember.

**INGRAM:** He came in just as Ravi Kanbur had resigned as head of the *WDR*. Before the *WDR* was put out—this is the 2000 *WDR* on poverty [*World Development Report 2000/2001: Attacking Poverty*. The World Bank: 2000.]—and Nick had to salvage that, and he did a credible job.

**ZIEGLER:** As his brother [Richard D. Stern] also worked for the World Bank, his appointment was quite controversial with staff, rightly or wrongly, but apparently the rules were, in the view of some—or in the views of many staff—broken.

**INGRAM:** The rules were clearly broken. That's a case where I was out of touch or out of step because I had been closely involved in chief economist selection decisions from the time of Stan Fischer's appointment on. I had a file of candidates' names.

I was involved enough in the selection of Nick Stern to have developed the view that Nick was the best candidate. When you do a global review, you conclude, "This guy's available, he'd do a good job, and he's the best person we can bring in." Therefore I had a tremendous amount of sympathy with the decision that Wolfensohn made to say, "I'm going to suspend this rule." Now, that's partly because I've always had the view that one of the features of bureaucracies is that any rule can be broken for cause. I thought that the cause justified breaking the rule. But there were other people whose opinion about the world I had a lot of respect for, who took violent exception to that. I have to tell you I was surprised because it wasn't a big deal to me, but it was a very big deal to large numbers of people. And that surprised me.

**ZIEGLER:** It was unfortunate in the sense that Stern himself seems, to me at least and obviously to you, you know, certainly a reasonable candidate, to put it mildly, somebody who . . .

**INGRAM:** Absolutely. Perhaps more than other people, I had actually been through the process of looking at the list of candidates, so I had an informed view that he was the best candidate. My sense was that the benefit/cost analysis of breaking the rule indicated it was worth it.

I just hadn't anticipated the extent to which other people opposed this. I think there were other people who personalized this, and had the view that they just didn't have the clout to get the Bank to break this rule on behalf of their relatives. They'd been telling their relatives the rule would never be broken, suddenly it was broken, now their relatives were back saying, "Wait a minute, if this guy can do it for his brother, why can't you do it for me?" And the whole house came crashing down. And I just hadn't thought that through at all.

As it turns out, Nick did a very credible job. I think people who had trouble with his appointment would probably think he did a fine job, too.

**ZIEGLER:** You were director of the 1994 *World Development Report*, which examined the link between infrastructure and development and explored ways in which developing countries can improve both the provision and quality of infrastructure services. How did this appointment come about?

**INGRAM:** I'd long been involved in urban and infrastructure issues, including transport, water, and urban. I'd been in the departments where most of infrastructure, although not electric power but most other aspects of infrastructure, came together, so I was interested in it. I had a conversation with Larry Summers. I told him I would be interested in doing it. Eventually he considered his options and decided that I was a reasonable candidate, and he appointed me.

**ZIEGLER:** Did you have any role in selecting the topic of infrastructure and development, or was this—the topic already decided upon, and then you were brought in?

**INGRAM:** I certainly was involved in discussions where infrastructure was a candidate topic of the *WDR*, and I obviously thought it was a good idea.

Going back to my comments about the strategic planning unit that laid out a sequence of *WDR* topics in the late '80s, after that there was no list on the wall of the chief economist's office of the next five topics. Every time a discussion is launched about what the next *World Development Report* topic should be, the chief economist sends out memos to Regional chief economists and to other people in the Bank, such as the sector directors, asking, "What do you think would be a good topic?" And of course has his own views.

There's always a set of bridesmaids. The perennial bridesmaid for the *WDR* is water. Every time you send out a *WDR* topic memo, several people say we should do a *WDR* on water, and so far it hasn't happened. But basically, there was a process like that and there was a discussion, and I certainly thought it made sense to do infrastructure.

It particularly made sense at that time. As you recall, this was the period when foreign direct investment in developing countries was really beginning to take off, and there was a tremendous interest in private involvement in infrastructure. In fact, if anything, this is a topic that could have been done a year or two earlier, but I thought it was a great idea and still do.

**ZIEGLER:** How did you go about selecting the team to work on the *WDR*?

**INGRAM:** That's an interesting question. What I did was talk to people whose judgment I trusted who knew something about the area, and I asked them for suggestions. When you put together a *WDR* team, you have a fixed budget, so you are interested in getting together a staff of people whose marginal product is going to substantially exceed their wage. In the Bank, the way you get people whose marginal product will substantially exceed their wage is to hire people who are in lower grades, who are bright-eyed and bushy-tailed, so that's what I did. And I have to say that of the people I chose for the *WDR* team, I had extensive personal knowledge about essentially none of them. For example, Lant [Hayward] Pritchett I had known because he had

been in DEC, but we had not worked together. I put together this team based on advice from knowledgeable people, and it worked out quite well. My experience in the Bank is that people know others in the Bank who are in their cohort, and they know younger people who have worked for them or who have been in their line of control. But it's very difficult to get to know people outside of your cohort who are also outside of your work unit or area. And so you end up having to go and talk to people. That's how I put together the team.

**ZIEGLER:** Were there any significant controversies in drafting the *WDR*?

**INGRAM:** Oh, yes, indeed there were. I was appointed by Larry Summers as director of the *WDR*, and Larry then left to join the [William J.] Clinton administration, and Michael Bruno arrived. The *WDR* team started to work in July, and Michael arrived in August/September. I believe he never was crazy about the topic. Infrastructure did not particularly interest Michael. We also went through some challenging early drafts with the *WDR*, but it had a very happy ending. It's turned out to be, in my view—of course I'm biased about this—a very good *WDR*.

I have to tell you an anecdote about Michael, for whom I have a great fondness. There is a meeting to discuss the “gray cover” at the Board. The whole Board attends the meeting and the *WDR* team is sitting at the table, and Michael, who's the vice president, makes the introductions. His introductory comments at that meeting were, “Ladies and gentlemen, I want you to know I did not pick this topic for the *WDR*, and I did not pick this team. Now let me introduce Greg Ingram, who will discuss the report.” It was a breathtaking moment, I must say. But we had a terrific discussion with the Board; and I think this *WDR* has done very well.

**ZIEGLER:** Is it worth recounting any of the controversies or were they just roughly minor in terms of the—drafting the *WDR*?

**INGRAM:** We prepared something like five drafts of the *WDR*. Our early drafts weren't very coherent, and we were basically producing a new draft every four weeks. Along about the “yellow cover” stage, it all began to come together. But our first two drafts were pretty ragged.

Michael also said he wanted the *WDR* to only be a hundred pages long, and I had been planning for more like 180 pages. We actually ended up with a *WDR* that was 125 pages long, yet it's also one of the shortest ones. *WDRs* lately have really ballooned in size again.

This actually helped us. Consider a metaphor of the *WDR* as a movie. The way you make a movie better is to take out scenes that are less interesting. I ended up with enough material I had taken out of the *WDR* to produce a second *WDR*. For example, we did a lot of work and had background papers written on the history of infrastructure, which is fascinating in terms of canals and railroads, and we had several text boxes on this. With the length constraint, there's only one box in the *WDR* that makes any mention of the history of infrastructure. So the rest was all left on the cutting room floor. But, you know, if you are making the movie shorter and you're doing it right, you're improving the movie. And that's what happened. It was a happy story at the end.

**ZIEGLER:** The report identifies the basic cause of poor past performance in the delivery of infrastructure services as, quote, “inadequate institutional incentives for improving the provision of infrastructure. To promote more efficient and responsive service delivery, incentives need to be changed through commercial management, competition, and user involvement according to the *WDR*,” unquote. How was the report in general, and this conclusion in particular, received outside the Bank?

**INGRAM:** I think it was received well. That was a time when there was a lot of money moving into infrastructure and a lot of interest in private infrastructure investment. Our message was fairly nuanced, though, relative to other people in the Bank. We placed much less emphasis on full privatization and on private ownership as the solution. This reflected experience. We had a box in the *WDR* about the telephone system in the Philippines, which has been in private hands for 50 years. It was one of the worst performing telephone systems in the world up through the early '90s, because it got swept up in crony capitalism.

So we were not arguing that all you had to do was privatize everything and then the world would follow. There were people in the Bank who were making that argument, by the way, and there were people outside the Bank making that argument. But our bumper sticker was, “Run infrastructure like a business, not like a bureaucracy.” And that resonated.

I have to tell you the message of the *WDR* in '94 underlies the current Bank approach to private involvement in infrastructure—and Michael [U.] Klein, in a number of the reports he's been writing, or was writing a year ago at least, about private involvement with infrastructure, has gone out of his way to acknowledge the contribution of the '94 *WDR*.

I have to tell you, it's had quite a good shelf life, and I was surprised at that because we were writing at that time about BOTS (Build, Operate, and Transfer Schemes), about schemes to encourage private involvement, and about regulatory issues, and I was under the impression the world was changing so rapidly that in 12 months this infrastructure *WDR* would be completely out of date, but that's turned out not to be true. A lot of the messages still resonate because a lot of the private investment and privatization of infrastructure hasn't succeeded all that well. And now people are beginning to say, “Okay, what's the halfway house look like? What's the appropriate growth of the public sector?” The message still resonates.

**ZIEGLER:** You became manager of the Sector and Thematic Evaluation Division in the Operations Evaluation Department in March 1999. What occasioned this shift from primarily research activities?

**INGRAM:** First of all, I had been administrator of the Research Advisory Staff since '91, so I had been there for eight years, albeit with one year off to do the *WDR*. In addition, I was finding that management in DEC was becoming more of a challenge. It was time for a change. So one day I got a cold call from Bob [Robert] Picciotto asking me if I would be interested in coming to OED, and I said, “You bet.” So off I went.

**ZIEGLER:** Not very complicated. Okay.

**INGRAM:** No, no, absolutely.

**ZIEGLER:** How did you find the work of evaluation to differ from research? I mean, clearly it does, but evaluation does have a research component to it.

**INGRAM:** Absolutely right. Evaluation can be envisioned as stylized research or as focused research. In other words, in a good evaluation you make no statement that you can't substantiate with evidence. It has that in common with research, but it's more stylized—it's a little bit like writing a sonnet. Evaluation has a set of underlying questions, which have to do with the relevance, efficacy, and efficiency of activities. So you're always coming at the evaluation through a particular evaluative lens, or you can think of evaluation as research that is based on benefit/cost analysis. You can think of evaluation as essentially research looking through a particular lens.

**ZIEGLER:** What were your primary responsibilities in this Sector and Thematic Evaluation Division?

**INGRAM:** We were doing evaluations of sector policies and sector projects. The unit did a large number of project completion reports, which were then building blocks for sector evaluations. When I first got there, we were doing an evaluation of the Bank's poverty strategy papers in countries. The other thing we were doing when I first got there was an evaluation of the performance of agricultural projects in the Bank, and how the recently revised agricultural policy was working.

**ZIEGLER:** In May of 2000, you became director of the Operations Evaluation Department. What were the circumstances of your promotion?

**INGRAM:** Elizabeth McAllister had been the director of the Operations Evaluation Department when I arrived in 1999. In May 2000, much to my surprise, she came to my office and told me she was leaving to become director in External Affairs. I had no clue that anything like that would happen. I then had a conversation with Bob Picciotto and he encouraged me to apply for the job, so I did. He and I had been working together in the department and I think we made a good team. It all made sense.

**[End Tape 1, Side B]**  
**[Begin Tape 2, Side A]**

**ZIEGLER:** How would you characterize the relationship between the director of the Operations Evaluation Department, which you were at that point, and the director general, Operations Evaluation, who was Bob Picciotto at that time, as you experienced it?

**INGRAM:** I think it was quite synergistic. I think Bob and I brought out the best in each other. We're very different people. And Bob as a manager can often be perceived as not being "user friendly." I became an intermediary between Bob and the staff. I think I was able most of the time to meet Bob's quality standards, which were quite demanding, and to benefit from his insight and experience, and to do that in a way that helped people do a good job. And it worked out quite well.

As an example: when I arrived, OED had an internal review meeting for every OED report that was going to go to the Board. When I first arrived, Bob chaired those meetings. After I became director, we agreed that I should chair them because sometimes the meetings got off track, and it was hard to get the meeting back on track when that happened. So I began to chair the meetings at his suggestion, and it worked out well. Bob had a huge experience and a tremendous network in the Bank. He also had a terrific antenna for sensing the currents in the Board. So he was just a terrific asset for OED, but he could wear down staff. I was able to prevent the latter from happening, and it worked out very well.

**ZIEGLER:** In October 2002 you became director general, Operations Evaluation. What were the circumstances of this promotion?

**INGRAM:** I'm not fully apprised of the circumstances of my appointment, as you might understand, but I believe the Board went through—or CODE [Committee on Development Effectiveness] went through—a process identifying candidates, and I was a candidate. My belief is that the committee became deadlocked over two candidates, neither of whom was I. As these things sometimes happen, I then emerged as a compromise, and I was selected. But interestingly enough, as part of this compromise I was selected for a two-year term. CODE wanted to come back and revise its selection procedure. I had a discussion at that time with CODE's chair, who called me in and asked if I would be interested in being acting DGO [director general, Operations Evaluation], and I said no.

**ZIEGLER:** Do you recall who that was?

**INGRAM:** Pieter Stek. I said if I'm going to do this job, I have to be DGO, or otherwise it's not really appropriate. They eventually agreed. As it turned out, I served for two-and-a-half years. They asked me to stay on longer, but at that point I had obtained another job outside of the Bank. It was time to go, so off I went.

Another issue in this was my age. Had they appointed me for a five-year term, originally it would have taken me beyond the mandatory retirement age of 62, which is sometimes enforced and sometimes not enforced.

**ZIEGLER:** Another one of those bureaucratic rules.

**INGRAM:** That's right.

**ZIEGLER:** From the mid-1990s onward, OED went through a renewal process. What were the factors that impelled OED to undergo this renewal process, and from where did the initiative to undertake this renewal process come?

**INGRAM:** I was not in OED when this happened, but my understanding is that OED was under a lot of pressure from Wolfensohn. Wolfensohn came over to OED one day and famously said, "I do not need a history department." He meant he did not need a department spending \$20 million a year to tell him what the Bank had done in the past. Bob Picciotto thought that it was worth rethinking what OED would do, so he launched a reorganization.

Elizabeth McAllister was then director of OED, and this reorganization played to her strengths. She was very good at thinking about mission statements and vision statements and strategies and organigrams. So actually, she made a big contribution to the exercise. It was highly participatory, too.

I arrived after the dust was beginning to settle and most new staff were in place. So I missed the excitement of the renewal process.

**ZIEGLER:** Did you have the sense that Wolfensohn's criticism had at least some justification? Admittedly you came in somewhat later, but you would have heard the echoes.

**INGRAM:** I think the changes that were made in OED—which I think were good changes—were probably not changes that Wolfensohn might have had in mind. I think the renewal of OED was a good thing. Wolfensohn played a role in getting it started, but where it ended up was likely a very different place than where he would have thought it might have ended up, to the extent that he had any thoughts about that.

**ZIEGLER:** As you noted in your remarks at the 30th anniversary celebration of OED, the renewal of OED involved three major dimensions: one, moving evaluation from the project level to higher levels of aggregation at the sector, country, and global level; two, opening up the evaluation process and making the procedures more transparent, adopting a presumption of disclosure for OED's evaluation products; and three, reaching beyond the Bank to the wider evaluation community. Please discuss your involvement with regard to these three major dimensions that changed during your period in OED.

**INGRAM:** In terms of moving to higher levels of aggregation, when I arrived OED had been carrying out country assistance evaluations. Ruben Lamdany, who was head of the division in OED that did country analysis [Country Evaluations and Regional Relations Division], started these. They did some small ones and some large ones. The small ones were called country assistance notes, and we soon stopped doing those and just did full-blown country evaluations.

When I first arrived, I worked a lot on large sector evaluations, looking at the water sector, telecommunications, forest policy, and health policy. These evaluated how sectors were performing, and also included evaluations of major Bank policies. Examples of the latter

included the Bank's policy to highly-indebted poor countries, that is, the HIPC initiative. We also did a big review of IDA [International Development Association] X, XI, and XII—nine years of IDA. We did a review of global programs, and we did a review of the so-called knowledge bank. So we were doing not just sectoral evaluations but also large-scale policy evaluations.

On the disclosure side, the ironic thing with respect to evaluation is that every new product line OED started, like country assistance evaluations, always was disclosed from the beginning. The original OED products, which are the project completion reports, which were started by Mervyn [L.] Weiner long ago, were not disclosed. This shows the influence of the dead hand of history—the last OED product to be disclosed was the first OED product to be produced. We agreed, and then got the Board to agree to disclose these project completion reports not long before I left. All of the new evaluation products were disclosed from their origin, but it took 33 years to disclose the project completion reports.

**ZIEGLER:** This is very much parallel with the Archives, because an outside researcher can see much more recent material much more easily than material going back to some of the early loans which are 30, 40, 50 years old.

**INGRAM:** Exactly. I think there's a rule that says if it's more than X years, it's relatively easy to see, as I recall, but there has been a dark zone where you couldn't get to them.

In terms of linking to other units, Bob in particular had initiated contacts and representation of OED with—in fact, he'd helped to set up—the Evaluation Cooperation Group, whose members are the evaluation units in all of the multilateral development banks. There is an annual meeting of this group.

**ZIEGLER:** Do they all pretty much have them, I mean, the multilateral banks?

**INGRAM:** They do now. In the last five years, whatever evaluation units they had have become independent of management. So you now have an independent evaluation unit in the IDB [Inter-American Development Bank], in the Asian Development Bank, and EBRD [European Bank for Reconstruction and Development] is a little bit less independent, and, I think, the Caribbean Development Bank. So now these independent evaluation groups get together.

There are also annual meetings of the evaluation units from all the bilateral donors. The DAC [Development Co-operation Directorate of the Organisation for Economic Co-operation and Development] runs an evaluation network, and OED had observer status there. OED was the oldest independent evaluation unit in all these institutions, and we provide a fair amount of intellectual leadership to the evaluation community. I was active in those meetings, but Bob had certainly played an important role in establishing this Evaluation Cooperation Group of the MDBs [multilateral development banks].



**ZIEGLER:** I would like to follow up on something we just touched on a moment ago. For many years, the World Bank has been extremely reluctant to allow public scrutiny of its records and reports, and there's a continuing evolution in this matter. Did the adoption of a policy of presumption of disclosure that we've talked about before encounter resistance in some quarters?

**INGRAM:** Not so much for the new products. As I said, there was really an issue with these project completion reports.

At the same time, evaluation is a little different. It's difficult to make the argument that the Bank has an independent evaluation unit which produces reports that go directly to the Board, independent of management, but are secret. If you're going to have an evaluation mechanism like this that reports to the Board to help the Board do its job, it's very difficult to argue that these documents should not be disclosed. In fact, you can argue that for the whole process to have credibility, they have to be disclosed. A different set of arguments applies to negotiations with countries about loans. But with evaluation, it's really difficult to argue that you have a credible evaluation program if nobody can come in and verify it in any way. It's very difficult to get up and make a speech arguing that point.

**ZIEGLER:** Has anybody made the argument that the World Bank ultimately deals with public funds that are put up by the taxpayers of the countries, and thus there's a degree of accountability clearly implied in its use of those funds?

**INGRAM:** Yes indeed. There's a sense in which the existence of OED is a response to that claim, which may actually have potentially slowed down the disclosure of other documents because, after all, you say, "Well, I don't have to disclose these documents, because I have independent evaluators doing it." Now, I don't know if that's true or not, but the argument you're stating certainly has been made. On the other hand, the argument is also made that you cannot do business effectively under a streetlight. And, you know, the Bank goes back and forth on this.

I have to say one other thing about the presumption of disclosure for evaluations. The actual rules for disclosing evaluation documents are that the documents will be disclosed unless the Board decides not to disclose them. When I was director general, my view was it would be a bad day when I produced a report and put my signature on it and the Board decided it couldn't be disclosed. That was something to avoid. Of course, if there were such a document that the Board decided not to disclose, that document would be on every web site in the world in the next 24 hours, receiving much more attention than it would otherwise. In the world we live in now, having a doctrine to not disclose things is a fool's errand because copies are out there, and pretty soon they're on somebody's blog or web site. Keeping documents secret is a very difficult thing to do in the Bank. If the Board decides not to disclose an evaluation, that would be a really significant event suggesting that somewhere somebody has failed.

That having been said, I have sat in more than one Board meeting, where members of CODE have said, "Oh, boy, should we really disclose this review we did of IDA 10, 11, and 12?" Or, "The press is going to pick this up and it's going to be very difficult for us." I say, "Well, you

know, selective quotation by the press is a fact of life, and you've got to learn to live with it." But in fact, at the end of the day, for every document I was involved in, people would make such statements, but we would disclose them.

**ZIEGLER:** How would you describe your relations as DGO with the Board of Executive Directors and, in particular, with its Committee on Development Effectiveness?

**INGRAM:** There's a sense in which one's relationship or one's standing with the Board or from CODE is as good as one's last report. They want high quality documents, and OED has to deliver them. Pieter Stek had been chairman of CODE. When I became DGO, he was there for several months, and then stepped down. I got along very well with Pieter, who had a well-organized office and ran meetings well. His successor was Chander [Mohan] Vasudev, Indian ED [Executive Director], who had a different style, a bit more out of the Indian Administrative Service. But he also ran a good meeting, and he got CODE through some very difficult evaluation experiences, the most notable of which dealt with large dams.

**ZIEGLER:** It was very controversial, I know.

**INGRAM:** It was additionally controversial because there was a parallel evaluation being carried out, and it became very awkward. But he actually turned out to be very adept at charting a course through that.

Board members have very different perspectives, but there's a sense in which the countries that provide development assistance have a different interest in evaluation from the countries that are receiving the development assistance. And that shows up from time to time in CODE. You know, there is a Part I/Part II caricature of their interest in evaluation. I certainly was aware of that from time to time.

**ZIEGLER:** How would you describe the trend in OED's relations with staff elsewhere in the Bank, most particularly, of course, in operations during your time in OED?

**INGRAM:** I think there was some improvement. We were dealing largely with a central operations unit run by Jim [James W.] Adams for most of the time I was there. When I first came to OED Joanne Salop ran it. Joanne then hired John [M.] Underwood to come in, and take charge of interactions with OED, and John and I communicated extremely well. We had no serious misunderstandings. Jim Adams then came in, and we all respected each other.

The critical thing for OED is to produce quality work where the conclusions trace back to the evidence. And when we review documents within OED, that's a key question. But basically, if OED produces quality work, people in operations grit their teeth—grind their teeth a bit and then they say, "Well, there's something here that we need to take seriously." And Jim was very good about that.

I just talked specifically about that unit, but in general in the Bank, you have to produce high quality work, and although Bank staff may be unhappy for a while, they'll see that there's something to the evaluation. The evaluations we have the most trouble with are evaluations that become personalized—where somebody on the operations side develops the view that somehow they're being evaluated personally. Interestingly enough, the evaluations that were most prone to that, in my experience, were country assistance evaluations looking at a country program that had the same country director for four or five of those last five years. Those country directors would tend to have the view that they were being personally evaluated. One can understand that. On the other hand, if you had a new country director who just arrived and you were evaluating performance in the last five years, the new country director would say, "This is great. I'll welcome it. I'll see what I can learn, and it will be terrific."

Interestingly enough, on the sector side, if you're doing an evaluation of the Bank's water policy or the Bank's agricultural policy or whatever, sector policies in the Bank are much less personalized. It's rare to come to a sector and think of the sector policy as being embodied in a single staff person in the Bank, whereas with a country program such personalization is common. If you're the country director of Transylvania and I'm coming in to review Transylvania, where you've been for the last five years, it's very easy to see how you might take this personally. But what is interesting on the sector side is there are very few cases where there's an individual who's a focal point for sector policy. Sector policy is much more diffused among the staff than country programs are. But on rare occasions we would run into a problem on the sector side as well. By and large we had our largest problems where people personalized what we were saying.

**ZIEGLER:** By what mechanisms were the assessments provided by OED reports taken on board institutionally and incorporated into Bank operations?

**INGRAM:** Good question. Every OED evaluation has a set of recommendations, usually three or four recommendations. When the OED evaluation goes to CODE—and the OED evaluation, by the way, goes to CODE in final form; OED does not negotiate language in evaluations with Board members—at the time that the final evaluation goes to CODE, management sends a draft management response. And the draft management response, in addition to discussing the evaluation, also responds to the recommendations.

There's a specific format. The recommendations are in a table in the back of the evaluation, and the left-hand column has OED's recommendations, and the right-hand column has management's response. So management can respond and say that's a good recommendation, we will implement it; or they can say management disagrees with it, or won't implement it for a variety of reasons.

So management undertakes to implement, to do something, or to do nothing in response to these OED evaluations. This is all published, including the management response.

Then, once a year a document is prepared that reviews all of the outstanding recommendations and reports on what has been done. That report is sent to CODE, and then CODE goes over that

document and can say to management, “We see that this recommendation was made two years ago and nothing's happened yet. When are you going to do something about it?” There's an accountability system that's built in with the recommendations. So that's essentially the mechanism for getting management to take action.

**ZIEGLER:** If the management says, “No, that's not a good recommendation; we're not going to do anything,” is that where it stays then at that point, or can CODE come back and say, “Well, you guys have got to do it anyway” sort of thing?

**INGRAM:** Yes, CODE can come back and say, “We've had this discussion where everybody in the room has thought something should be done about this. We suggest management revises its management response.” And so then management goes off and revises the management response. The CODE chairman does not direct management to write down as its management response what he or she dictates, but will say, “You've heard this discussion; now go back and be responsive.” And they are.

**ZIEGLER:** Although as a measure of its independence OED reports directly to the Board of Executive Directors rather than to the president of the World Bank there are some who say that what is now the Independent Evaluation Group is still not sufficiently independent, and that undue pressure can still be exerted in various ways. At least some of these critics believe that qualified persons not otherwise employed by the Bank should perform the evaluation function. How would you respond?

**INGRAM:** This is a long-standing discussion and raises the question, what sort of knowledge does one need to bring to evaluation to be credible, and not just credible with people outside the Bank but credible with people inside the Bank? So I think one needs some special knowledge of the institution or of how the institution works and that, I think, improves evaluations.

In terms of pressure, note that independence from management is embodied in the DGO. The DGO signs every document that goes to the Board and has to defend every document that goes to the Board. Then at the end of the DGO's term appointment, he or she leaves the Bank and can never be hired in any other capacity. So the independence rests with the DGO.

The discussions that I had with management about evaluations were always about substance. The comments were, “Well, we disagree with this method. We're not so sure your sample size is adequate,” or whatever it happened to be. Nobody ever made threats. That was never an issue, in my experience.

Now, OED staff that work in OED for a while and want to go back to work in operations may indeed say, “I have to be careful because I may reduce my prospects in employment in operations.” It falls to the DGO to root that out and prevent that from happening, so it's a hard job.

There was a proposal made about 15 years ago, I believe by an outside commission, to set up an outside agency that would evaluate all the MDBs. This comes around from time to time. I think that the question then is who's the client for that evaluation unit. This would be a completely separate organization. It's hard to believe that the client would be the Board because within the Bank environment, Board members represent shareholders. And informing the Board members, it seems to me is a useful thing that can affect the organization. If you had an outside agency, would they come in and address their report to the Board, or would they address their reports to the press? Exactly how would that work? The bureaucratic incentives are not entirely clear to me. I think people need to think through the details of that.

I'm aware that the Center for Global Development, for example, has been advocating independent evaluations. They've also been advocating randomized experiments—by the way, feel free to ask me a question about that. But I think that a separate evaluation group could easily turn into an organization that would start evaluating its effectiveness based on its press coverage. And if you really want to influence the institutions, that would not work well. I'd like to see more detailed plans about how exactly that would work before I decided it was a good idea.

**ZIEGLER:** Did you want to say more about that randomized sort of evaluation?

**INGRAM:** Yeah, there has been a . .

**ZIEGLER:** It rings a bell with me. I have heard of that . . .

**INGRAM:** . . tremendous enthusiasm for doing randomized experiments to find out what works in development. And this has been advanced as a kind of silver bullet that will solve the evaluation problems. There are a couple of issues there. Randomized experiments are typically carried out on individuals, on small institutions, or small enterprises. When you look at the evaluation problems we face in development, the really tough issues we face are where we're applying policies at the national level. Aspects of structural adjustment, for example, come to mind. And it turns out nobody is suggesting that we are going to carry out randomized experiments at high levels of aggregation, such as on countries, and this relates to the point about trying to move OED's evaluation to higher levels of aggregation. You're not going to carry out randomized experiments across countries. So I think randomized experiments work well on relatively small-scale problems where, by the way, we have lots of other evaluation tools that work pretty well. So the first problem is that randomized experiments can't be used to deal with what are currently the really tough issues that we face. Suppose I tell you that it's important to have an independent central bank. Well, we're not going to run randomized experiments across central banks.

The second issue with randomized experiments is transferability of results. Everybody invokes medical experience here and talks about drug trials. If you are testing a drug or a policy where the response is in some sense mechanistic or biologically determined, and you believe all the other mechanisms in the world are like the ones you are testing, then results will be transferable.

For example, if your sample of 50 white males respond to low doses of aspirin by having fewer heart attacks, you conclude, “Well, this will work for all other people”. One of the things we've learned about randomized drug trials is that most of them are carried on men, and we now know that women often react differently. The point that I'm trying to make is the argument for randomized experiments rests on the assumption that the results are transferable. Now, a lot of development interventions have as determinants of outcomes not just mechanistic or biological mechanisms, but also institutional structures, and the institutional structures differ across countries.

Let me give you an example, an anecdote. We did a very expensive, not a randomized experiment, but a very expensive and very complete statistical analysis of four primary education projects in Ghana that were implemented in the late '80s. These were traditional “bricks and mortar” projects. We had an earlier LSMS [Living Standards Measurement Study] survey in Ghana. We went back and carried out the same survey, went back to the same schools, interviewed the same people in the same schools, and we concluded that these four projects in Ghana had been extremely successful. Literacy rates went up, school attendance went up. The projects worked. Question: If you did the same projects again in Ghana, would they have the same result? Answer: We don't know. Question: If you did the same projects in the country next door, would they have the same results? Answer: We don't know.

The point I'm trying to make is if the results aren't very transferable, then the notion that randomized experiments are going to produce generalizable results is wrong. The people pushing these projects, this particular technique, need to be more honest about that than they have been.

The fact is that many development outcomes have institutional variables as determinants. And as you move across countries, those institutional variables change. And so it's really an issue. And this insight is embodied, by the way, these days in the notion of country-specific interventions. I think there's still a place for randomized experiments, but understand that you may learn whether things work or not in this country in this decade, and it may tell you nothing about next decade or the country next door. And so there needs to be more truth in disclosure about this.

**ZIEGLER:** What was the most challenging part of your job as DGO?

**INGRAM:** Well, first of all there was a CODE meeting every two weeks. Moreover, I was DGO not just of the Bank, but also for IFC [International Finance Corporation], and MIGA [Multilateral Investment Guarantee Agency]. Across the three institutions I was sending 24 major reports a year to CODE for discussion, which is basically one every two weeks. And at a CODE meeting the DGO and evaluation team is essentially taking an oral exam on the evaluation. The DGO has to be on top of it, have read the reports, and be willing to vouch for and defend what's in the reports. I would essentially examine a staff member on the report to the point that I was satisfied, and then I would proceed to stand shoulder to shoulder with the staff member at CODE. I didn't think it was appropriate at a CODE meeting to turn to the evaluation

staff and say, "Well, Mr. Ziegler, why did you write that paragraph on page 16?" My view was if there's a controversial paragraph on page 16, I better understand it and be willing to defend it. That was my conception of the job. So the whole business of meeting with CODE involved a lot of preparation.

The second challenge was dealing with the press because one would like to have more press coverage for OED. The thing that always worried me about press coverage of evaluation reports was that I would get ahead of the Board, and I thought it would be very dangerous if Board members or CODE members developed the view that the DGO was trying to use the press to influence the Board. So I was very, very concerned about talking to the press. Because what the press, of course, is interested in is controversy. They're particularly interested in reports critical of the Bank. That was a really difficult challenge that I never fully resolved.

The final thing is related to the first point and it's quality control. When you strike an OED product, it's got to ring like a bell and it's a big challenge to keep that up all year long.

**[End Tape 2, Side A]**  
**[Begin Tape 2, Side B]**

**ZIEGLER:** Well, Greg, we're coming to the end of this interview and we're going to indulge in some summary reflections. To begin with, what were the most important lessons learned, both from a personal institutional point of view, during your career in the World Bank?

**INGRAM:** I've had difficulty coming up with a satisfactory answer to this. But picking up on my last comment, a high-quality product is really the key to happiness in the institution. If you are producing quality products, at the end of the day everything will work out reasonably well.

In addition, the quality of the staff is absolutely critical because in the institution it's extremely expensive to correct personnel mistakes. For example, when I was director of the Development Research Department, I spent about half my time on recruitment. I would always bring people in to give a seminar and make an oral presentation. I think that was a sensible allocation of effort. In those 48 months that I was director of DRD I hired 50 people. So it was really a busy time.

The other thing is related to the ethos of the one-minute manager. It's really important to give people credit for what they do. That's something I had learned full well by the time I got to OED, and I think staff were quite appreciative of that.

And the final comment is the necessity and risk of press coverage. In that regard, the best one-day training program I ever took at the Bank was media relations. It really helped me a great deal. But it's essentially people and product and credit.

**ZIEGLER:** Who provided that particular training module?

**INGRAM:** No. All *WDR* teams, at least when I was on the *WDR*, did this. It was an outside consulting firm who provided this service. It's expensive, but it's just fantastic.

**ZIEGLER:** What were the most notable internal trends in the World Bank as they evolved during the course of your career, from your perception?

**INGRAM:** When I came to the Bank, the project director was king in operations. And when I left the Bank, the country director was king. It was a big move from a sectoral and project focus in the Bank to a country focus, so that's one significant trend. I want to come back and comment on that in a minute.

The second big change in the Bank was the geographic decentralization of the Bank, moving staff overseas.

**ZIEGLER:** Do you think that was a good idea?

**INGRAM:** I think it's unclear if it's for good or ill. When I was in OED I attended several meetings, operational meetings, with people reporting on what the effects of decentralization were, and management had very little idea. What everybody falls back on is that the country clients say they like it—but this is all anecdotal.

When I first learned about decentralization, my view was—particularly when they were going to hire local staff at lower salaries—my view was, “Ah, we're following the Nike strategy. We're moving production overseas to take advantage of the lower labor costs.” One measure of success, therefore, would be cost savings, but we all know that decentralization has produced no cost savings. So if that was the motivation, which I don't think it was, it failed. I mean, what we're left with is an evolving personnel conundrum where you've got a different pension program in every country; and you've got people sitting in adjacent offices doing relatively similar things but earning very different salaries, which have produced lots of unhappiness and tension in these offices. Whether the benefits of better country relations are there or not, I don't know. One would expect improvements in project implementation because you can have all your project staff out there supervising things.

A third thing that's happened in the Bank is the centralization of research in DEC. Originally, there was a lot of research carried out in the central sector departments. Now, DEC does roughly three-quarters of the research in the Bank.

A fourth thing we talked a bit about in the earlier discussion is the erosion of operational skills—technical skills in operations, and I suggested that had to do with the organizational structure of the Bank.

Let me come back to the business of country focus, because one of the arguments for having a country director put together a country program is the notion that the country director will have a country program that is integrated and coherent and faithfully reflects the country's priorities,



whereas in the past you had a country program which reflected the cumulative results of different sectoral people going out with stronger or weaker sales skills who would convince different ministries that certain projects made sense. In other words, what you had was a bunch of sectoral salesmen going around peddling things on a decentralized basis, and the country program was the sum of what the peddlers had sold. Now you have this hypothesized integrated and coherent view.

And the interesting question is: Is the country director providing a faithful and objective view of what the country needs, or is the country director providing the country director's view of what the country needs? And the test of that, which has yet to be done to any great extent, is how much do operational programs change when country directors change? If there are big changes in country programs when country directors change, that's consistent with the hypothesis that the country director is a determinant. And if they don't change very much, then that suggests that the country director is a transparent lens that transmits the country's situation faithfully. I don't know of any sort of systematic evidence on this, but it's certainly the case that a number of country programs have changed a lot when country directors have changed, suggesting you're getting an individual's interpretation of what the country needs, and not some kind of faithful rendering of what the country needs. And I'd be a little nervous about that. But that's something that management needs to look at.

**ZIEGLER:** What did you like most about your career in the World Bank and what did you like least?

**INGRAM:** I think I'm similar to other people who have left the Bank, in that I had terrific colleagues in the institution and really interesting work.

Also, it's really gratifying to think that what one is doing can actually improve the lives of other people in the world who are suffering.

A third thing that's interesting about a career in the Bank is that you really get to look at global evidence about issues, not just evidence from a particular country. The terrific advantage that the Bank has relative to other regional institutions is the Bank's global perspective, and it's just terrifically gratifying to have all that at your fingertips.

The thing I like least about my career at the Bank? Before I came to the Bank I had been doing research at a university, and I was well aware of the big disconnect between research and policy. When I was at Harvard, I was doing research for the U.S. Department of Transportation, and the Department of Transportation is an impenetrable bureaucracy that somehow has a hard time utilizing its research. And I said, "Boy, the wonderful thing about coming to the Bank is that the barriers between research and policy will disappear. Here's an institution that is going to be able to take account of the externalities and really have a terrific handshake between research and operations." I was in the Bank for a few days and discovered the vocabulary of "us and them." It pretty quickly became clear "us" were the people in research and "them" was everybody else. This, of course, continues up to the present day, but it's remarkable the extent to which there is

continuing bifurcation in an institution which ought to be able to make that bifurcation go away. And it hasn't, and that's an interesting fact and a disappointment.

The other interesting thing about the Bank is its engagement in what I call the systematic destruction of human capital. That is, you get people to the point where they understand a country and then you move them. I wonder if that's always the best way to do things. That's not so much something I don't like, but it's something I observe and question.

**ZIEGLER:** And finally, what do you consider to have been your greatest success, and what would you have liked to have done better?

**INGRAM:** In my Bank career the *1994 World Development Report* stands out. I think most *WDR* directors probably think their *WDR* was the most satisfying thing they did at the Bank. And that was true for me.

A close second is being DGO, which is a position the significance of which I have only come to appreciate after leaving the Bank. I look back and say it's amazing that an institution like the Bank has an organization like OED, now Independent Evaluation [Group]. Being DGO was an amazing privilege. Those are my two most significant things.

What would I have liked to have done better? I would have liked to have done a better job as director of the Development Research Department. I took that job when I was 39. I had a lot to learn, and I learned a lot in that job. If I could replay those four years, it might be a bit different, although there were lots of challenging constraints at that time. I wish I had done that better than I think I did.

**ZIEGLER:** Well, Greg, this has been very interesting to listen to your reflections on your career in the Bank. On behalf of the World Bank World Group Oral History Program, I thank you very much for your participation.

**[End Tape 2, Side B]**  
**[End of interview]**