THE WORLD BANK GROUP/HISTORIAN'S OFFICE

ORAL HISTORY PROGRAM

Transcript of interview with

BILSEL H. ALISBAH

December 20, 1993

By: W. Becker & D. Milobsky
Q: I'm William Becker with George Washington University and the Business History Group.
Q: I'm Jochen Kraske, the Bank's historian.
Q: And I am David Milobsky from the Bank's Historian's Office.
A: And I am Bilsel Alisbah, recent retiree from The World Bank.
Q: We'd like to begin by asking you a little bit about your decision to join the Bank. What was it that, after your formal education, interested you in the Bank?
A: I think I had always been interested in economic development. I was at Princeton's Woodrow Wilson School when Gardner Patterson was the Dean. Patterson showed me the various career possibilities in development economics. I saw the World Bank as a good fit. It was the only place I applied to upon graduating.
Q: And your degrees were in (...)?
A: My master's was in Public and International Affairs from Princeton. Before that, I obtained an undergraduate degree in International Relations. I also obtained a master's in Economics, from Princeton.
Q: What was your assessment of the young professionals group at the time you joined the Bank?
A: Well, you have to remember that I was part of the very first group, and the institution as a whole was, for the most part, unprepared for this whole thing. Not too much thought had been given to what to do with us. Obviously, many assumed that we would learn by doing, but there wasn't much of a structure.

At first, they tried to put us all into the Economic Development Institute, in order to give us some sort of formal training. That was a complete disaster. The initiative was not warmly received among the Young Professionals. We had just completed many years of formal education and wanted to start doing things. We could not help wondering why we were sitting in a room getting lectured again in something that was clearly not designed for us.

There was a considerable amount of hit and miss at the beginning in terms of trying to place everybody into assignments. Some were a lot more prepared for us, than others. My recollection is that people really didn't know how to use the Young Professionals so there was a lot of "here are some reports, why don't you read them and come to this meeting or that meeting?"

Gradually, the YP situation began to change. Now our Executive Directors and some of Management complain that many of our senior managers have come through the Young
Professionals program and they don't know anything about the real world. Nowadays when good young professionals arrive at the Bank, they are snapped up by the system instead of learning on the job. Nevertheless, if the objective of the YP Program was to help develop a cadre of future executives for the institution, it has been pretty successful.

Q: That was my next question. What's happened to the people that were in your group over the last thirty years?

A: They have been pretty successful. A healthy proportion of today's Vice Presidents, Directors, and Division Chiefs, came from this group of young professionals. Some of the criticisms of the program probably are legitimate. We have become a little bit too inbred. We have not modified our employment criteria as fast as one should have in a changing world. For the longest time, the primary emphasis was on getting hot-shot economists with two or three degrees. Lately, there has been more emphasis on practical experience in a developing country, but, even today, when it comes to making decisions at the margin, I have a feeling that credentials and faculty recommendations carry a bit more weight than they should. I think we miss out on probably some very good people because they don't appear to be very orthodox.

Q: If you were to design a management program for the Bank-
- to identify future managers and so on--how would you go about it?

A: First of all, in the selection criteria, I would put a lot more emphasis on practical experience. Secondly, I would probably try to build something more concrete into the early years of the program in terms of sending people overseas. Working for the World Bank is not necessarily the ideal way to learn about developing countries. Therefore, I would try lending people to some of the NGOs for at least a year. It would be expensive (because we would be paying high salaries for these folks to go and work with someone else), but that's the kind of experience that would be very valuable later in a person's career. Many among the current generation of managers lack this type of experience.

I would also employ more sophisticated ways of testing competencies as a manager. I would have built a little bit more of that into the selection process, although I don't mean to imply that we have failed in terms of the kind of people that the program has brought in. We traditionally attract very qualified applicants. Whether we make the best selections among them is still a question mark.

Q: Once you were finished with this initial part of the program, what were your first assignments in the Bank?

A: I had initially started in the technical part of the
Bank, which was a very central unit in those days. I worked under Hugh Ripman. He encouraged us to read every report, attend every meeting and ask lots of questions.

Later on in my Bank career, I joined the India division, and remained there for quite some time.

Q: What were your responsibilities?
A: I was half economist and half loan officer. When I worked on places like Sri Lanka and the Philippines, it was primarily as an economist. When I worked on India, I was more of a loan officer. In Indonesia, I was primarily a loan officer.

Q: Could you briefly outline the differences between your economist mode and your loan officer mode?
A: In those days, the basic function of the economist was to do the annual economic reviews of the country, and produce an economic report on the country, its prospects, its problems, and its policy shortcomings. Loan officers, on the other hand, worried about the lending side of the house. In those days, there was quite a lot of tension between the technical people and the loan officers (or country people). In later years, in order to eliminate a lot of these tensions, everybody was placed into country departments.

Q: Turning to your India experience, could you describe some of the initiatives you were involved in during the 1970s.
A: In the '70s, the Bank turned away from infrastructure projects toward what you might call the "softer" sectors—agriculture, education, and health care. In India, the Bank emphasized the Agriculture sector. It consulted many outside experts like Sir John Crawford, and tried to learn about the agricultural problems that were unique to this part of the world. It tried to formulate projects that would work, in an environment where there were heavy subsidies and a great number of political factors to consider.

Q: Sticking with India (I know you moved into West Africa and then back to India), could you tell us about your second set of experiences there in the late '80s? when you were country director?

A: For one thing, a heavier emphasis was placed on Africa and other poor areas. India's share of IDA had declined significantly and (rightly or wrongly) India was seen as a credit-worthy borrower that should be both utilizing more of the Bank's non-IDA resources (i.e., IBRD lending and IFC lending), and also relying more on private capital markets.

Both periods had a lot in common. I think the Indians have always worked well with the Bank, especially at the federal level where the Bank was viewed as a source of capital. The Indians, didn't mind receiving project advice, but they always felt that they should make all the final
decisions.

Q: Would that also be true of some of the social programs?
A: Generally it was true, although I think that they were wrong. Had they not been so overly conservative in how they wanted to use the Bank, they could have improved their situation considerably.

Q: We're moving around here chronologically, but I was trying to focus on India for a while. Now I'd like to move back to your experience in West Africa, and where you began in 1979. Of the countries for which you were responsible, Ghana is generally thought of as a success during this period of time. Why do you think reform worked in Ghana?
A: Ghana was basically one of the tragedies of Africa. The people there were extremely well educated, but its government was a mess. The leadership it acquired after independence went downhill much faster than in most African countries. Nevertheless, Ghana had a basic potential, a real potential, compared to most of the others.

Another reason for Ghana's success stems from a fortuitous political coincidence. The Rawlings regime in Ghana was unique in that he allowed a group of young technocrats to manage the economy. He trusted them and didn't change them for a period of nine to ten years. Whether he had good instincts or understood the issues, I
don't know, but he let those fellows do some things that made a lot of sense, and he gave them enough room to maneuver.

Another good thing about Ghana was that the Bank did not have to contend with old, outmoded projects clouding the picture. When we started working on Ghana in earnest, the Bank had practically ceased operating there. We had a clear slate to work with. In Ghana we could look at the changing situation and say, "What makes sense in today's world?"

Once it got going as a success story, some of these things got a bit messy. When something is successful everybody wants to be in on it. Everyone wanted to say that they had been in Ghana, so you had people coming in saying, "Let's do one of those projects. My Division would like to do this and that project." Then you had the donors trying to peddle their own sort of special interests in Ghana.

Although there was some dilution of our success in Ghana, it was undoubtedly a long run success. You could visit there six or seven years after the reform movement started and see, without economic statistics, an economy which was bustling.

Q: Were there other successes in West Africa? Nigeria perhaps?
A: Nigeria is an interesting case. We had been working with them forever and they were (in some ways) not unlike the
Indians. Having worked on India was an advantage because it taught me how to deal with Third World bureaucracies, specifically, it taught me how to deal with the "we knew it all" attitude that the Nigerians displayed on various occasions. Each time there was an oil boom they committed the same mistakes all over again. On the Francophone side, I did not deal with some of the large countries like, Senegal and Ivory Coast, but with the smaller Saharan countries like Niger, Upper Volta and Mali. I was deeply involved with the River Blindness program. It was very intriguing and fascinating because it highlighted the donors' desire to do good things. No matter what problems I had, somehow the donors would find the amount of money that was needed. We had periods when it looked like that wretched fly was totally resistant to all the chemicals in the world, but the donors were never fazed. Eventually, we discovered that the fly flew much further than anybody thought feasible and what had started as something that was limited to a relatively small geographic area became, a very complex undertaking.

Q: We wish to turn again to the period of the late '80s, and the question we have for you has to do with the reorganization of the Bank in 1987. What was your view of that reorganization?

A: The reorganization had merits in the sense of bringing
up this whole country focus business--the idea that there should be country directors who have the bulk of the troops dealing with that country in their control and who should be held accountable for what happens in the country. This was an issue worthy of discussion, but how the thing was done was probably an exercise in how not to do things in an institution that's as large, complex and culturally diverse as this place.

In essence, everybody in the institution was fired and had to be re-hired or re-certified. Now, I guess somewhere at the bottom of this there was an agenda of trying to get rid of some people and adjust the skill mix, but that was never declared. In my view, the architects of this reorganization were quite naive. How could they put a 50 year-old employee through six months of uncertainty and anguish and then expect him to be a motivated worker? He had dignity, status, and respect, but that did not matter. They fired him anyway. Staff morale was low, and cynicism was rampant.

I also feel that the severance packages were too generous that many of the wrong people left. So we had good people leaving and demoralized people staying. It was not a good situation.

Q: Who would you say was responsible for the way it was
A: That's a good question. I don't know. Ultimately, I guess, one has to say that the President had to bear some responsibility, although he's someone that I've become very fond of over the years. He must have gotten an earful both from the major shareholders and the U.S. establishment when he first took the job. They probably told him that the Bank was an over-bloated bureaucracy and that somebody had to go and do something. As a result, I suspect that the President (even though I didn't know him well in those days) felt that he really needed to do something early on.

I don't know who his critical advisers were in this endeavour. My guess is that he put too much emphasis on outside consultants. His timetable was too long. Using inside people to help shape and guide the institution was probably a good idea.

Some of the people that were part of this inner group were Kim Jaycox, Marianna Haug, and Bill Cosgrove. It was a sort of a special steering group which included these people together with the consultants and with the special ear of the President. Most of the most senior people were left out of the loop on this thing.

Q: The consultants were McKinsey?
A: No. The consultants were some other outfit. I don't
remember the name.

Q: Unlike the reorganization in '72, when McKinsey had a whole team of people here who spent weeks and months, the consultants were not very visible.

Q: In my mind, I wonder about the balance of influence between the consultants and our own people. To what extent were the consultants really providing blueprints for the reorganization, and to what extent were these people just providing stimuli, throwing up some ideas, and letting our own people do the real organizing. It's never been clear in my mind.

A: Nor in mine. My impression was that the consultants, either from discussions with the President or something else, had a preconceived notion of what kind of things they wanted to do. No doubt it was the consultants' advice that when you do something like this, one must develop some internal structure that does a lot of it itself. Once the reorganization effort got going, I thought that the consultants got a bit carried away with what they were doing.

It was a very difficult period. At that time, I was managing one of the larger outfits at the Bank, the West Africa Technical Department. It had a few hundred people in it, and keeping these folks motivated was probably one of the bigger challenges I've faced as a manager in this place.
During the reorganization, everybody was worried that if they left even for a week somebody was going to decide their fate. They were right. People on missions were getting all kinds of funny telexes at the time.

Q: In terms of your Division, did many people decide that they didn't want to stay after this experience?

A: Well, the Bank has historically had very low turnover rates, yet this period shows up as a relatively high turnover period, but part of that was by design. A number of good people left the Bank. I was sorry to see them go. Some of the less impressive people also left, but, again, this could have been achieved without all of the agony of the '87 reorganization.

Rather than a large scale defection of Bank staff, the reorganization left a legacy of distrust behind it--distrust between Management and Staff. Until that reorganization, Management and Staff had close ties to one another. The reorganization profoundly destabilized these bonds, and the Bank is still suffering the consequences. Even simple reorganizations have a stigma attached to them. The sound of the word "reorganization" arouses the suspicions of the Bank's staff.

Q: We'd like to turn to another point that is somewhat related to what you have been saying--the change in your own
career in 1989. Why were you offered the position of Vice President for Personnel Administration, and why did you take it?

A: It's a job that people don't exactly line up for in any institution. This is especially true of the Bank. It's a difficult job. The clientele is heavily educated and very critical.

I guess I appealed to the folks looking for someone to do the job, because, first of all, I have a good reputation for fairness and decency. This was especially important after the '87 reorganization. Secondly, they also felt that I was a good manager and they wanted someone in this job who was familiar with Operations. I had also been involved in some personnel matters. I headed the Bank's appeals mechanism which was an independent outfit that dealt with grievances from within the institution.

Why did I take it? After working at the Bank for over 20 years, and enduring many of its obvious shortcomings in dealing with personnel, I felt that I really had something to offer. I saw it as an important job. With the right kind of approach, I felt that a person could bring more communication and honesty to the position. I got a lot of very positive feedback during my first few years because we consistently told the truth. We did not treat the staff like children.
Q: Was the President similarly concerned about rebuilding
this trust in the wake of the '87 reorganization?
A: I think he wanted to rebuild the trust very much. I
also think that he was very frustrated with my predecessor.
He felt that things were too bureaucratic. The elaborate
explanations frustrated him. Our views on personnel issues
were not that far apart when I took the job.

Q: Turning now from the reasons that you took the position
as Vice President for Personnel Administration, we'd like to
ask a bit about the kinds of things that you hoped to
accomplish in that position. Specifically, we want to start
with the compensation system in the Bank. How has it changed
under your tenure, and how well you think it works?
A: I didn't intend to do anything with the compensation
system. I just wanted to make the whole establishment a bit
more user-friendly. I was also very keen to reduce the
distrust which existed between Management and Staff,
particularly between our Staff Association and Management.
One of my objectives has been to work more closely and openly
with the Staff Association. I felt that this was very
important because, the Staff Association and Management have
similar interests in 85 percent of the matters which come up.

I also focussed on career development. Whenever we ask
people in the Bank what bothers them, career development
always pops up. Of course, the term means different things to different people. Sometimes people are not getting promoted as fast as they would like. Oftentimes people feel that their work is not receiving the recognition it deserves. Often people complain that they don't get honest feedback. Q: How did you deal with that?
A: We have instituted a system of career development reviews and separated that from the annual evaluation, so that there is an opportunity for personnel people, managers and the staff to sit together and take a close look at someone's career--what have they done, what else would be a good idea for them to do, and where the institution needed them--in order to avoid any unpleasant surprises. Not everyone welcomed these conferences. Many individuals on the staff do not like to be told what to do next, and managers do not like to be told which individuals should fill vacancies in their departments.
Q: In the management of the Bank, was there a difference of opinion about how to deal with that?
A: Most people usually agree that this isn't the way it should be. Many managers resent this trend. The clever ones do it by not saying that "I don't want this one but I do want that one", and they develop very elaborate arguments proving why that person isn't well suited for the job. Sometimes
their assertions are true, but very often people make this into an art form and producing lengthy papers describing why they need somebody that's got this kind of experience and knows about tall trees. Meanwhile, they have in mind somebody who knows about tall trees.

Q: The reason I asked is that, in the private sector, sector managers often assume that it's their prerogative to assign people from one place to another, whereas in the Bank it seems to me that the Staff are more highly educated, and thus also have a greater sense of themselves as professionals. Is there a tension there?

A: There is a tension. Coming from outside, Preston zeroed in on that subject right away. He wondered why positions were not filled the way they were in the private sector. Suppose there is a vacancy for a Director. Nine chances out of ten, Vice Presidents say, "Well, the Director is the most important person in my establishment. If I can't choose him/her, how can I work effectively?" Preston has not set a good example on this front. He came in and brought his secretary from J. P. Morgan with him. Furthermore, when he selects Vice Presidents, there is a clear element of "Who do I want?" as opposed to "Who would be best for the job?" As for compensation, the Bank has a system that its shareholders have developed. I guess this present one has been in
existence for four or five years now, and, before that, there was another one in place. The present system represents some political compromises as well as some decent principles. It's a system that starts by looking at the comparators in the U.S. market. The comparators are 50 percent public and 50 percent private. In general, we try to do a bit better than those comparators. Each year, we look at what happened during the past twelve months and then if we decide that we are doing well against the comparators in terms of dollars, we apply a second test. We also look at how are we doing in terms of recruitment and retention. Are we experiencing problems in some areas? How many offers get rejected? If we have problems in those areas, then we look at the French and German markets. Again, we focus on a group of comparators.

France and Germany were intended to account for the fact that this is, to a large degree, an expatriate community. In order to attract them, our compensation packages need to be comparable to those in their home countries.

Now, I suspect that many of our major shareholders feel that the compensation system has produced results that are too generous. Certainly, the results have been higher than inflation and higher than the cost of living in the Washington area, and certainly higher than what the U.S. Government employees get.
As a result, there has been increasing pressure to do something about the system--to change it, to modify it. I suspect that if we don't have a year in which the system produces a lower result, we will be designing a new system before long. By the way, designing a system is a nightmare. I think the last one took them about three years. So my role in the compensation system was to try and make sure that our proposals were tenable and objective, and to try to avoid being forced into changing the system.

Q: Can you talk a little bit about the interaction with the Board? There's a committee that looks at this issue. How does it usually work? Are your solutions shaped in consultation with the Board?

A: There is a constant tension between the Management of the Bank and the Board with the Board feeling that they are left out of the critical stuff and wanting to get more into it. Certainly the compensation area qualifies as a critical matter.

Historically, compensation proposals were formulated in discussions with the Staff Association, in collaboration with the IMF. Management signed off on it, and then it was presented, first to a Board Committee, and then, in light of the discussion with them to the Board. There isn't a step which asks the Board what they think the proposal should be.
That frustrates them, and certainly on a few occasions the voting has reflected that frustration as well as the fact that the numbers looked high. When you get a situation where three to five of the major shareholders have held down the salaries of their government employees, they get very excited about the Bank's high salaries. This frustration has often taken the form of brutal discussions of proposed salary increases, and narrow approval margins. At times, a lot of creative accounting was required from the people counting votes around the table.

We have to keep reminding them that this is a system they developed. We are only trying to apply it. We can probably do more in terms of sharing the basic data with the Board and also having more meetings with them before actually springing the proposal on them. However, the President and one or two of his key advisors are very reluctant to do that. I would have at least tried to hold more informal discussions with the Executive Directors.

Q: Is turnover related in any way to changes in the compensation system?

A: The turnover is very low. It's only a few percentage points. However, for people who came from Europe and who had been in the institution less than five years, the rate was much higher. This bothered me.
Another point to bear in mind with regard to turnover is that the Bank uses a very high proportion of consultants, and many of these consultants are what we call "long-term consultants". Some of them have been around as long as I have. I tried to change that by saying there should be a time limit on consultants, because I felt very strongly that it's not good for the morale of our staff. Either you are a staff member or you are not. I feel that there should be a five-year cut-off.

We also have a number of other consultants who have six-month contracts. These people comprise approximately 25 to 28 percent of our institutional workforce, and, in that group, there is a lot of turnover. In short, you could say there is very little turnover if you look at the permanent staff. However, if you look at the Bank's total staff resources, I don't think our turnover rates have been a serious constraint to recruiting good people, although I will admit that we have some problems with the European countries. For example, in Italy, when the Italian economy was booming and anybody worth anything was making huge amounts of money, we were having a hard time attracting any Italians to the Bank. That was a compensation situation. Probably a little bit of that exists on and off in Germany and sometimes in France as well.
Q: And Japan, too, I imagine.
A: Japan is a unique case in itself. More important than compensation for the Japanese, is the question of career development. If a person's children don't attend the right grade schools, the right high school and university, their whole career is felt to be ruined. So, for the Japanese, it's much more of a traumatic experience to come to the Bank. Overcoming that stigma is very difficult. Compensation does help in that area but, it's not the prime consideration.

Now, as Japan itself changes and people began to see that employment for life is not something that's written into their Constitution, the younger people are becoming more interested in doing things outside Japan.

Q: In the course of your tenure, would you say that you have been able to diversify personnel in terms of national background and sex?
A: When I speak about underrepresented nationalities, I'm not talking about trying to get a nationality by nationality balance. I am speaking of the regional balance. Do we have enough Sub-Saharan Africans for example. We are not sitting there bemoaning the fact that there is nobody from Burundi or that we need two people from Myanmar. When some of the larger shareholders like Japan are underrepresented, then it becomes a more serious matter. Nevertheless, we do not have
country quotas that we are trying to meet.

Now, on the issues of diversification by nationality and gender, I think the statistics (both before I came into the job and since) have been moving in the right direction. The question is, how fast should one push? On the women issue, I don't think that our difficulties are unique, but it used to be embarrassing when you looked at statistics, especially in terms of women who were what we call "Division Chief and above." If you attended Vice Presidents meetings, there were very few women; Directors meetings, maybe one or two. There wasn't really a pipeline of women ascending the hierarchy.

Now, before Conable left, he commissioned a report on the gender issue that was completed after Preston arrived. Preston picked it up and gave it his personal blessing, and I think one has seen quite a bit of progress, along with some backlash as well. A lot of people began to say "Gee, my prospects for promotion are now being hurt because they want women to hold a quarter of all senior positions."

Whether or not to have percentage targets was a hotly debated issue. In the end, with a lot of dissenting views and some mixed feelings on the part of all of us, we felt that in a large place like this, if you don't establish a target, it becomes very hard to get results, and it also becomes very hard to measure success.
Q: Turning to more recent developments, we wanted to ask you to talk a little bit about why the new building became such a source of controversy.

A: I think that the origins of the controversy are pretty clear. The costs were much higher than originally estimated. We should have focussed on that sooner.

What made it particularly messy was uproar over the EBRD's building—the marble and so forth. This created a tense atmosphere. Furthermore, the general relations between the Board and Management were in a poor state. In short, you had a situation where some members of the Board, were constantly looking for ways to embarrass Management, and the building looked like a lulu to those characters. To some extent Management (i.e. the President) added to this tense atmosphere by dragging the whole matter out over a period of months. I think that he could have acted more quickly. He could have said that, "This is a serious matter, and I'll take some measures. Let's put this behind us." Instead, he dragged it out. Parts of it are still going on, and it appears that the whole affair was handled quite badly. It certainly looks that way to the Staff.

What have we learned from this episode? First of all, attempting a basic rebuilding job while continuing to live in these buildings was probably not a great idea in retrospect.
There were very few hints of how messy all this was going to be. I'm not talking just about the cost, which is a separate thing, but the structural problems, and the general grime and inconvenience that comes with living in a construction site for eight years.

The second mistake probably was (given the complexity of this thing) to try to do it ourselves. I think it might have been politically and technically safer to involve more outside consultants. If I could do it all over again, I would have one general contractor and hold them responsible for the price and the designs. I would let them manage the whole construction effort. We might end up paying a lot more, but if something went wrong, the institution would be further away from it.

Q: You said that there were some people on the Board who were looking for an opportunity to embarrass Management. What was going on there?

A: There is no doubt in my mind that, over the last ten years, there has been a continuous deterioration of the relationship between the Executive Directors and Management. Again, one needs to be a bit careful because the Executive Directors are the representatives of the owners. In a lot of cases this reflects a problem with the Bank's Management vis-a-vis the owners, but there is also a personal dimension.
Suppose a strong personality--Mr. X is an Executive Director. The President insults him, or appears to insult him, and all these funny vendettas start flying around.

It seems as though Management goes out of its way to antagonize the EDs by not sharing information in areas where it really wouldn't have done any harm. The EDs just want to feel that they know what's going on. I think that the President could make more of an effort to maintain good relations with the Board. It doesn't take a great deal of time or energy to stop for a moment from time to time and ask how a particular action will affect this relationship. I didn't see that kind of behavior taking place. If anything, Management thought of the Board as a nuisance.

I'm not saying that a President should always look to please the Board. However, he can be strong on principles and stick to the things which are important while assuring the EDs that they have been heard.

Q: Do you think that Conable did that significantly better than Preston?

A: I think that Conable's political antennae were much more finely tuned than Preston's, but his goals were not clearly defined. He seemed to support whatever initiatives pleased the most people.

Now Preston, on the other hand, may have had stronger
views on what he wants to do, yet his political instincts are weak. He is not as sensitive to the board's prerogatives as I would like to see, although that situation has been changing of late.

Q: One subject that we haven't covered, is the Narmada project in India. Could you talk about that a little bit—the problems and how you saw them, the intrusion of the environmental NGOs, and the NGO phenomenon?

A: I used to have to meet with all these NGOs in Washington, and they would talk about this part of Gujarat as if it were a tropical forest full of birds and wildlife when, in reality, it was a parched wasteland. Today, a lot of people depend on that land and the numbers are increasing. If you really want to have development to improve the lot of these people, then you have to do something like Narmada. I haven't read any criticism which convinces me that there was something else which would have been a lot better for these people.

Furthermore, the critics totally ignored some of the issues which arose from the federal structure of the Indian Government and from the constitution that they have. If anything, one of the lessons of Narmada is that we need a different approach to projects which involve three states who are going to benefit in different ways, whose costs are
different and who have conflicting constitutional rights in the area of agriculture. Maybe we need to set up something like a regional authority, get all the legal stuff straight from the beginning and only then get into the actual constructing and doing.

Nevertheless, if I had to criticize management, I would say that we probably have appeared too indecisive. We ceded too much ground to the NGOs. It is very clear to me that no Division Chief, project expert, or other Bank official in his right mind is going to be very eager to touch something that has any hint of environmental controversy. That is a shame because, in today's world, if you want development there are not going to be too many things where somebody isn't going to find something controversial.

Q: Well, thank you very much.
A: Well, thank you.