

THE WORLD BANK GROUP STAFF ASSOCIATION

ORAL HISTORY PROGRAM

Transcript of interview with

BENGT SANDBERG

**February 3, 1988
Washington, D.C.**

Interview by: Charles Ziegler

[Begin Tape 1, Side A]

ZIEGLER: Today is February 3, 1988. My name is Charles Ziegler of the World Bank Oral History Program, and I have with me here at the Headquarters of the World Bank Mr. Bengt Sandberg, who, among other things, was a founding member of the Staff Association of the World Bank. We are doing this interview in the context of the Staff Association Oral History Project.

Mr. Sandberg, if you could cast your mind back to, I suppose it was 1971, what were the factors which impelled the staff to create the Staff Association in the first place?

SANDBERG: That's a long time ago. And of course my memory is hazy. I also got into the Staff Association work rather by happenstance, and I guess we'll come to that in a minute. I joined the Bank the first time in 1961, 10 years earlier, when the Bank was very small. I left the Bank in 1964. It was a very patriarchal organization. When I first joined the Bank, for example, the Bank staff did not discuss salary. Salaries were individual salaries. They were individually negotiated. And so nobody really knew what anybody else was making. There were no grades. There was nothing of that kind.

I think by 1971 the Bank had grown. There were staff who had joined from many parts of the world. And there was a growing resentment, if you will, of the patriarchal system run by the Bank. By that time salaries were very good in the Bank. The benefits were good. But the whole atmosphere was one of where the management gave this to the staff. And staff really had no input and there was no way, or there was no mechanism under which the management could or would consult with staff on, for example, how they wanted the medical plan structured, how they wanted the pension system set up. There was no way for the staff to be represented on pension committees or in anything that had to do with the management.

Now, the Bank was very good. Everybody knew that if you were in trouble on a mission or if your family had trouble, the Bank would always make sure that you were taken care of, totally outside all the personnel rules, all of those things. The Bank was a very sort of, very patriarchal organization.

My own recollection is that there had also been some questions raised, possibly at the Board, possibly in some other connection, where management was asked why there was no staff association. In any case, somewhere in the last half of 1970 or thereabouts there was a group of staff members in the Bank who began talking about the need for a staff association.

ZIEGLER: But not in the context of some mass discontent or . . .

SANDBERG: No, there was just this general malaise. I'll come later to a very typical example, one that really sort of blew the lid on this. But anyway, they had been talking about this. And I have in the back of my mind some recollection of hearing that the

*Bengt Sandberg
February 3, 1988 – Final Edited*

management was actually considering establishing a staff association. And this rumor, or whatever it was, caused these six people--I think it was six of them--to approach the management and say something to the effect that for management to establish a staff association would be disastrous. Let us try. Because we believe that this should be done.

Now, the one who can tell you exactly what went on, the one I know who was a member of this group was Jim [James] Chaffey. And he would be able to tell you exactly why they approached management. I was not involved in this at all. Although one of the leaders this movement was Mr. [Mats] Hultin, who is a countryman of mine. But I guess we'd spoken about this. I had just come back to the Bank; I was a new division chief. I was not involved. I was trying to settle into the Bank in 1970.

Then what happened was I came back from a mission and found there was a lot of uproar in the department because there was all this talk about establishing a staff association. How it happened I don't know, but I found myself having been elected a Delegate to the Delegate Assembly.

ZIEGLER: You weren't there to defend yourself!

SANDBERG: No. I can't remember if they asked me if I wanted to stand and I said yes when I came back or whether it was a fait accompli when I came back. In any case, I found myself propelled into the Constituent Assembly from what was then called the East Asia and the Pacific Area Department. This was before the 1972 reorganization.

And then I guess, again for reasons which I don't know, I didn't stand for election. But a group of the members of the Delegate Assembly decided that we needed to have some kind of executive during the transition period when the Constitution was being researched and written. And so Jim Chaffey was elected Chairman of the Executive Committee. And he sort of went around and asked who might want to serve. And he asked me if I wanted to serve on that. So I did that.

ZIEGLER: This was in the pre-Constitution period?

SANDBERG: This was what we called the Constituent Assembly which I guess was in office from early '71 until the votes were counted on the establishment which must have been somewhere in the winter of 1972.

Now, again I do not remember when it was. But I think it was in the spring of 1971 when the management announced a major package of improved benefits without consultation with anyone. I think it must have been while we were in the Constituent Assembly. I remember it was several pages of improvements. But I think it was 1971. It contained a number of significant improvements, and it really was a very good package. But it caused an uproar in the Bank among staff. And the reason for this was that there was one benefit that was taken away. That was the right after a certain period to travel by ship on home leave, and that this was taken away without consultation just caused havoc.

Now, as it was explained when this was then discussed, the reason it was done was because after a certain point there weren't going to be any ships. Now, you know they started all the shipping again later on. But at that point the lines were going to stop all passenger traffic across the Atlantic.

So it just showed the insensitivity of the management to the staff. If they had explained it there probably would have been no uproar. Again, what it shows is that if they had had somebody to consult with they could have avoided this flap, which I think is one of the reasons why there was this overwhelming support for the staff association. That incident focused attention on what was going on. So after the work on the Constituent Assembly had been completed, you probably know that the agreement with the management was and this is what we wanted--that the Staff Association would only be established if it had the support of at least 50 percent of the staff. And this was interpreted to me that what we needed was a 50 percent positive vote by all staff members. Not 50 percent of the ballots cast, but 50 percent of the vote had to be for the Staff Association.

So in early 1972 we mounted a major effort in the Provisional Executive Committee to get the vote out. We were given the opportunity to send cables to all people who were on mission, to all resident missions. I still remember sitting--I can't remember if it was in the Board Room, but upstairs somewhere--counting the ballots. And we were very nervous. We really were not sure that we could get 50 percent of the Bank staff actually voting for the Staff Association. As I remember now it was just totally overwhelming as we were going through constituency after constituency, and counting the votes and seeing 100 percent participation, 90 percent. It was just totally fantastic. You had people on mission who had cabled in. You had resident missions who sent long cables, you know, listing 20 people who were voting. I remember that evening after we'd counted. It was just fantastic.

So there was this need among the staff to find a way to communicate the Bank staff views and feelings to the management without going through the normal management structure.

ZIEGLER: Would you say that, basically, the attitude of management towards the creation of a staff association was cooperative?

SANDBERG: Oh, absolutely.

ZIEGLER: And responsive.

SANDBERG: Oh, absolutely. Absolutely.

ZIEGLER: Including Mr. [Robert S.] McNamara?

SANDBERG: Oh, absolutely. In fact, my feeling is that the management felt a lack of . . . As I said, my recollection is that they were actually talking about establishing one themselves, which would have been in character for McNamara. He sees a gap. He sees

something that needs to be done and he does it. But that would never have worked, because it would never have had any credibility.

ZIEGLER: Was there any significant opposition from the staff? I know even today any hint of, quote, "unionism" would alienate a very large proportion of staff. So in formulating the Staff Association and in your campaign for its establishment, did you encounter any significant opposition from among staff? Or was it just largely isolated to few people?

SANDBERG: At the time, I think there were two issues that we felt could kill the whole idea. One was the question of dues. A lot of people felt that if we were going to charge dues, then forget it. People would not be prepared to pay, because they didn't feel that strongly. But this was the feeling. And, again, dues had something to do with a union.

You have to remember that in the early 1970s the Bank staff still contained large numbers of people who'd come out of, say, the British colonial service, who had been civil servants in other countries. And many, many people who had had management positions. The technical staff in the Bank in those days to a very large extent were recruited from among people who had been the general managers of power enterprises and this sort of thing. And the judgment was that there was a very strong anti-union bias.

I remember one friend of mine, a Brit, who was in fact Fabian and a Labour Party man. But you mention the question of belonging to a union to him. He would say, "No, no, no. Absolutely not. That's fine for the workers and the common man and they should have their unions. But, you know, I'm a professional, and I couldn't possibly belong to a union."

So I think this was one of the issues. And it was very clear the way the Staff Association was originally established that it was . . . In fact, I think we even used to call it a channel of communication rather than a union. So the idea was to have a mechanism for collecting and funneling in an authoritative way the views of the Bank staff. And that then became reflected in the whole structure of the Staff Association, where the key element in the structure is the Delegate Assembly. Because they, the Delegates, are supposed to reflect the views of their constituents. And they are supposed to control the executive which is then supposed to be the arm of the Assembly, and not the other way. So it was built with an Executive Committee that derived its power from the constituents represented in the Assembly. It was an extremely democratic type of institution that we built.

ZIEGLER: That differs from the way the International Monetary Fund's Staff Association Committee works.

SANDBERG: I don't really know the Fund's Association very well. But the alternative, of course, is to have a strong executive with a direct election of president and so on and so forth. We did not follow that line.

ZIEGLER: Very deliberately?

SANDBERG: Very deliberately. Because I think that the view was that we have no negotiating power; we have power of persuasion in our dealings with the management. We are only as strong as the management perceives us to be. And only if the Executive Committee is seen as representing the views of the overwhelming majority of Bank staff will they carry credibility. And that was the view that I think prevailed at the time.

Now you can argue whether this is still valid 15 years later. Maybe even now we need a union. I don't know. But I think at the time this was correct. And given the overwhelming majority that we got for the Constitution we probably could have had a more centralized Staff Association. But chances are if we had we might also have lost a good portion of the Bank staff. And you have to remember in the early days after the Staff Association was established I don't think there were more than 40 people who wrote in and said we don't want to belong. So even people who voted against it, and there were very few--I think five percent of the vote--even many of those didn't feel strongly enough to take the step of actually resigning. There were very few people who did that. Now, if we'd had dues, or had we been a union, we might not have lost the Staff Association, but we certainly would have lost a lot of people.

ZIEGLER: Were there any particularly thorny organizational issues? I know there was a working group set up, and it seems that these issues had been studied pretty thoroughly before they were actually sent to any sort of voter deliberations.

SANDBERG: As I remember the process, we started by having lengthy discussions in the Assembly about general principles. And then after a long period of time and there were reports, people went to visit other organizations with staff associations and studied other constitutions such as that of the UN Staff Association.

And then at some point, a drafting committee was appointed. And I guess now there's only one person on that drafting committee who's still in the Bank.

ZIEGLER: I'm going to talk to Jill [Gillian R.] Kaplan.

SANDBERG: Well, the other one was Tom [Thomas A.] Blinkhorn. It was interesting because one of the key members on that drafting committee was [Sydney] Raymond Cope, who was then the Director of the European Department and Executive Chairman of the Loan Committee, so he was very senior.

They then sat down and drafted the Constitution. I don't remember any major clash over this question of the Assembly and the Executive Committee. I think everybody agreed on that.

ZIEGLER: Obviously, there was some discussion as to the best way to go. But what I had more in mind was whether there was anything that sticks in your mind, a particularly

contentious issue regarding organization. Because in the record, as I read it, it pretty clearly set out what the alternatives were, and what the recommendations were.

SANDBERG: Right.

ZIEGLER: And what some of the discussions were.

SANDBERG: I don't remember if there was any major discussion of the question of the length of service. You know, there are very tight limits both on the number of years that you can serve on the Executive Committee and the number of years you can serve as a Delegate. And there were a lot of people who were worried about coups and small groups being able to run and make the Staff Association a kind of general parish, you know, like Tammany Hall. And that's why these things were put in there, to limit the ability of people to pull a coup and to limit the ability of people to serve for many, many years. We did not want to have dynasties, self-perpetuating Executive Committees.

At the time there was tremendous enthusiasm. If you were to go back and go through the roster and see who was in the Assembly, there was a whole group of people who today are directors and what not in the Bank. It was some of the most respected people in the Bank, generally speaking, who were prepared to serve the Staff Association.

ZIEGLER: I don't want to leave that. That's very interesting. So, when the Staff Association was founded it enjoyed the support of very, very many reputable and respected people on the Bank staff.

SANDBERG: Absolutely, absolutely, very senior people. We had wide grassroots support. There were never any problems--well, I suppose there were problems in filling some of the Alternate spots. But the meetings of the Assembly were always extremely well attended. In most parts of the Bank, Delegates were holding meetings prior to the Assembly meetings, circulating the documents for comments and discussion. Mind you, after a couple of years it wasn't that easy to do so. Jill Kaplan and I were the two delegates from East Asia, and before every Delegate Assembly meeting we used to call in our constituents to discuss the agenda so that we would be able to represent them. We never had any problems with getting temporary Alternates to serve for us if we happened to be away. And these meetings were always extremely well attended.

And the other thing you have to remember too is that partly because of the issue of dues, there was a very strong feeling among the people who started the Staff Association that this was something we did not want to get mixed up with the management. We did not want any favors. As I remember, every single meeting of the Delegate Assembly that I can remember attending was always after working hours. We would then borrow the Board Room, and we would meet in the Board Room.

Executive Committee meetings were always at lunch or after work. All work was done during working hours with the agreement of your boss. The idea was that you would then work overtime to do your job. For example, the year when Jill Kaplan was the Chairman,

she was my secretary. She was basically allowed to run the Staff Association during office hours. In those days we didn't have a staff assistant. We had nothing. The only thing was that we could use the Telex if we needed to have an election and get votes and that sort of thing. I'm not even sure if we had desk to desk distribution. I think we circulated most things through the delegates. And they made copies and gave them to their constituents.

ZIEGLER: The idea was to keep . . .

SANDBERG: The idea was to keep it separate from management. We didn't have an office. I think we probably met in some conference rooms here and there. So it was a totally voluntary effort. And as I said, we had a lot of people who were on the rise in the Bank and all kinds of enthusiastic people who participated in this effort.

As I recall it, the only organizational issue that was contentious was when the Executive Committee took exception to the recommendation of the constitution drafting committee on the question of the Chairman of the Assembly. The idea behind the proposal that they made was that it's difficult to both be an impartial Chairman of the Assembly meeting and at the same time represent the Executive Committee before the Assembly.

The idea was that you would have a separate Chairman. I don't remember how I voted on this issue. But in retrospect I think that was correct. That became obvious fairly soon, because the first chairman, Jim Chaffey, used to run his Assembly meetings with an iron hand. We had some very obstreperous people, very articulate people, in the Assembly, and there used to be quite a bit of grumbling about the dictatorial way in which these meetings were run. But, of course, he had an agenda; he wanted to get through it and so on and so forth. Then it becomes difficult to be impartial in the amount of time you allow people to speak and when to cut them off and that sort of thing.

ZIEGLER: The idea is more like the Speaker of the House of Commons.

SANDBERG: Exactly. I don't know whose idea it was. It may well have been Raymond Cope's. But I don't know. In retrospect, why we in the Executive Committee went against this proposal would probably have something to do with the power and strength of the executive vis-à-vis the Assembly and so on. But Jim was the one I guess who basically went against this, I'd say. I don't want to say that he killed it, but the Executive Committee at that point was feeling its oats. It had been in office for a year and had gotten used to running things. So that was really, as I remember it anyway, the only contentious issue.

ZIEGLER: You've covered the founding of the Staff Association pretty well. Is there anything else you want to add?

SANDBERG: You asked me what capacities I served in. Maybe I can just list them. As I said, I was a member of the Constituent Assembly; I was a member of the Executive Committee. Then in the first election for Chairman, I ran against Jim for Chairman. The

only reason I did that was I believed one should not have an election for Chairman without a contest. In fact, I was on mission when the election took place. I never had any particular wish or hope to be Chairman.

ZIEGLER: But you didn't win.

SANDBERG: No, I didn't. I think I was Treasurer in his administration. That's when I wrote the Treasurer's report saying the Staff Association has neither income nor expenditures, period. End of story. After the first year the elections took place for the second Chairman of the Staff Association. That was interesting because the Chairman was Jill Kaplan. I think it says something about the people, both the constituents and the Staff Association generally.

ZIEGLER: Was that before or after you ran. That's before, right?

SANDBERG: No. The first elected Staff Association Delegate Assembly elected Jim Chairman. And I think Jill was Vice Chairman. And I was Treasurer.

ZIEGLER: So you ran against him?

SANDBERG: I ran against him. But that was more on principle.

ZIEGLER: And that was after the Constitution?

SANDBERG: This was in 1972, after the Constitution had been adopted and we then had elections. But then after that Jill Kaplan, of course, became the Chairman for the second year, which was interesting, because she was a support staff member, and she was a woman in an organization which is totally dominated by men.

ZIEGLER: You were involved in a similar situation some years later, as I recall.

SANDBERG: That's right. But what made it interesting was towards the very end. We didn't have all these elaborate procedures then for making speeches. These were things that came later. In those days for the election of an Executive Committee you simply had a nominating speech and a seconding speech and then there was an election. So they didn't ask the people standing for election to give their platform.

But in the days just before the second election there was quite a campaign to stop her election. And, of course, they picked the wrong candidate to run against her, because they tried to convince me to run against her.

ZIEGLER: You're saying there was a campaign to stop the election. Quite frankly, was it based on the fact that Jill was female?

SANDBERG: Of course it was. Of course it was. I mean, nobody ever said that. But it was by innuendo saying it should be a professional. That kind of thing. I don't remember

how many telephone calls I got. But there were people in the Assembly who were trying to build a movement, of which I wouldn't have any part. They may have tried others, that I don't know. But in any case they didn't succeed. I think that speaks very highly for the Staff Association, because I think it shows that we were a fairly progressive organization.

Anyway, I served. And this is when we had this interesting situation where I was the Secretary in her administration. So we had a situation where my secretary was the Chairman and I was the Secretary, which confused a lot of people. But we had a lot of fun with that one.

Then after that I think I may have served on one more Delegate Assembly. But I'm not sure. I don't even remember.

I had this view that if you had been Chairman of the Executive Committee one year, you should not serve on the Executive Committee the following year, because that would tend to undercut the status of your successor. And in a sense I also felt, although not as strongly, that maybe once you serve on the Executive Committee, you shouldn't serve in the Assembly. You should let other people.

Anyway, since then I have served on, or tried to serve the Staff Association. For many years I was a member of the Outside Activities Committee. And about a year after we went out of office, or a couple of years after, I served on the Appeals Committee.

But I guess in a sense I may even be the only one of the original group who has served the Staff Association continuously. So I got into it by happenstance, but I've never managed to get out of it.

ZIEGLER: I think we can shift gears now for a bit. We have discussed basically the founding of the Staff Association. And for the second part we can discuss your more activist period, which is towards the beginning of the Staff Association. One of the big issues that I see coming out of your second term in 1973 was the two salary increases in that year. Presumably they were a result of the inflationary pressures. Could you perhaps relate some of the issues surrounding these two salary increases? For example--and this is something still very much with us--a differential in the increase for what were then called Professional staff level on one hand and for what was then two other groups, Special Services and General Services staff on the other.

SANDBERG: As I remember, there were two issues. One was how do you deal with salary adjustments in a period of rapid inflation? And, of course, what we managed to get the Bank to do and the management to do was to have two salary increases that year. I can't remember what the increase in the consumer price index was that year. But I remember we were trying to argue for more or less automatic salary increases when we had a certain rise in the consumer price index. There would be an automatic trigger mechanism. In fact, I guess we were trying to argue in terms of real salary increases, arguing that if there was an increase in the consumer price index, then there would automatically be a salary increase. Looking back at it that was not something that the

management really could agree to. But certainly we wanted to have a more or less automatic trigger mechanism.

The other issue was this business of the differentiation presented . . .

[Tape defect]

[End Tape 1, Side A]

[Begin Tape 1, Side B]

SANDBERG: I don't think it was just the support staff problem. There was also sort of a top level problem. Because I remember for a number of years the senior people got much less. They were complacent. But those were really the issues.

I looked at the Chairman's Report, and I guess in a sense we lost on both of them. But those were--both of them were really matters of principle, and I think we came back to them time after time. But I really don't remember.

ZIEGLER: Later on the question of--there was also the question of equal access to benefits.

SANDBERG: Yes. On the question of access to benefits as distinct from salaries, on that point we won and we won big. That was a major issue of principle. Because all the Bank benefits had been discriminating against lower level staff.

They discriminated against single staff. There were many parts of the packages that had what was then called major income earner test which in a sense would block a lot of lower level staff out of the benefits such as home leave. I think a secretary had to be in the Bank for seven years before she got home leave or something like that. There were parts of the medical plan which were clearly discriminatory against single females. The idea of a single female becoming a mother was just not covered anywhere. The Bank being such a patriarchal organization, there was also a good bit of uncalled for morality involved in quite a few of the Bank's benefits and the way the Bank looked at staff. It came up. It was an issue that we fought in the early days of the Outside Activities Committee.

If you go back and look at the "Rules of Conduct" as they're written back in 1971 or 1972, they talked about Bank staff not behaving in such a way as to be an embarrassment to the Bank. And a lot of people interpreted this in all kinds of ways that had to do with people's sexual preferences and private lives generally.

No, I think that on the issue of access to benefits I think probably the Executive Committee in 1973 was the one that played the major role. Also, I think it was Mr. McNamara who put out a memorandum to all staff abolishing the categorization of staff. About 15 years later it still has not been abolished. Because somehow . . .

ZIEGLER: It's still very much alive.

SANDBERG: Still very much alive. But also, of course, you have to remember in 1972, 1973, the way that staff treated each other was so different.

ZIEGLER: From now.

SANDBERG: Well, it's gotten better. In Sweden, I'd gotten used to the revolution that took place in the late 1960s. Everybody suddenly started calling everybody by their first name. And Sweden went from being a very formal, Mr. and Mrs. type of operation to a totally informal system. When I came back I must have been one of the first division chiefs in the Bank, you know, where we're all on a first name basis. It was always Mr. Sandberg and secretaries being called by their first names. They were extremely unhappy about this. And this was part of sort of a general attitude. And this is why this support staff element in the Assembly and in the Executive Committee were so emotional about abolishing these categories and getting equal access to benefits. Because it was discriminatory. No question about that.

ZIEGLER: My next question specifically is what negotiating tactics or strategy did you use with management? But coupled with that, I'm also interested in what may have caused management to, quote, "see the light," unquote, especially this equal access to benefits. Did they see a payoff for themselves? Or were they swayed by moral arguments, perhaps? I say that tongue in cheek, of course. I think it's two sides of the same thing. Obviously, you presented your issues to management. How did you present them? And what would have caused them to agree with you on this particular and very important issue?

SANDBERG: I would like to believe that they just saw the force of the argument. That this was just right. That what was going on was just not right. That you as a higher level staff member would arrive in Washington with your family. And you would be installed in one of the finest hotels in Georgetown for a month, as I was put in a duplex with my three kids and my wife at the Bank's expense and collecting substantial amounts of money in relocation grants and what not. And a secretary would arrive here with no relocation, with no movement of furniture, a suitcase and be put in a hotel and be given \$20.00 a day for ten days and then that's it. You take care of yourself. You know, that sort of thing. It was so blatant.

Now, of course, on the issue of the major income earner test, there were big fights. And I don't think that was removed immediately. Because that was kind of something that affected everybody. So that hung around for a long, long time. And, I guess, in that case it was only when the Bank discovered that it wasn't really saving them all that much money and was causing a lot of unhappiness that they did away with it. And, I guess, maybe at that point, too, there may have been many more spouses of higher level staff who were earning larger salaries. I don't know. But that one hung around for a long time. And I don't think that all benefits were suddenly equalized. As I remember, it was a little bit of a process. But basically I think that [Reginald A.] Clarke and McNamara and the

management and the Board probably saw this as an issue of equity and simply--what is right.

ZIEGLER: As well as being an exercise in history, this series of interviews, of which yours is the first, is sort of a "how to" for current and future members of the Staff Association. And so it would be interesting to find out what sort of tactics or strategies you used in negotiating with management. Was it hard at it, a hammer and tongs sort of thing? Or gentle persuasion? Obviously, any group who negotiates with management has to attune its approach to the manager who's sitting across from the table and the issue involved. But over time maybe we can see what has worked effectively in various ways.

SANDBERG: Well, as I said, we saw it primarily as a channel of communication. So that obviously one way of persuading management was to get the backing of the Assembly. If we felt strongly we would have a resolution passed which would give the mandate to the Executive Committee. But basically we tried to work it out with management through the consultative process. We had an agreement that before they put out circulars on benefits or announced new benefits they would consult with us. And we would then discuss it and we would give our views on how they presented it, on how they split benefits and so on. And that was the process in which we could then make known our views. I don't remember now exactly what agreement we had with them. But they used to send to us draft circulars on education benefits. Particularly, they'd go through with this revision of these things from time to time.

We then had working groups on various issues, too. Say on the pension plan. They basically were collecting evidence, collecting views from other staff members, and sitting and working with members of the management on these and coming up with recommendations on improvements that might be considered the next time.

ZIEGLER: So it's fair to say early on you established a consultative sort of relationship?

SANDBERG: That's right. It was a consultative relationship. And I think a very interesting example of that was the reorganization of 1972. Here again my memory is hazy exactly on how this happened, but my memory is that we in the Executive Committee played a major role, if not the major role, in coming up with the system of compensation for Bank staff who were downgraded or lost their jobs in that reorganization. Now, there weren't very many of them. But this was an issue that the management had forgotten about. Or hadn't thought about. And I can remember some of us in the Executive Committee sitting in late a couple of evenings and trying to work out a system or commenting on a system, whether we took the initiative or whatever it was.

But one of the points that we made to the management in the reorganization is that people have got to be treated fairly. You have the right to reorganize. Maybe people will become redundant. But they should be fairly compensated. And I think that we came up with the idea of being particularly generous to people who are in the age span between 45 and 55. Because before 45 it's easier to find a job. After 55 you can take a pension. So you need to have a differentiated system of compensation.

And, in fact, I've looked in my files and I have there copies of Reg Clarke's draft circular on this issue with my marginal comments, even crossing out and inserting language. I don't have the final versions, and of course others were also commenting.

But it was this kind of a process. It's absolutely certain that before those policies were issued to staff, not only had the policies been discussed with us and we'd had consultations, but we even had an input in the way that they were presented to staff.

So I think that was a fairly typical kind of operation. The arguments that we had with them were that they always came too late, always under pressure. We really didn't have a chance to consult with the Assembly. They didn't have a chance to consult with constituents. So, therefore, there was always the question of the demands of the consultation process that we had set up in the structure of the Staff Association and the need for them to move quickly and expeditiously.

Now, obviously if you have a consultative process like that, you can't expect to have your views accepted every time. But I think that in those years in the beginning there was a good bit of cleaning up of a lot of Bank policies. And a lot of discrimination and stuff was eliminated.

ZIEGLER: Well, earlier on you mentioned about getting a resolution in the Delegate Assembly. I do have a question about your means of mobilizing staff support. From what you say, presumably you didn't feel the need to get the masses, so to speak, behind you. Your primary expression of support from the staff at large was by means of the Delegate Assembly.

SANDBERG: No, we never ever considered either calling a strike or calling a general meeting. The Constitution provides for general meetings. But I have always been and I'm still extremely skeptical about general meetings, because even if you collect a thousand people in the courtyard and you get them all to shout "yea," they are still only expressing the view of a thousand out of six thousand. And the idea behind the structure that was adopted was that the Executive Committee, after having gotten the backing of the Delegate Assembly, would in fact be speaking for six thousand people. Because the process would be such that everybody would have had a chance to express his views to his Delegate who would have reported and expressed this view in the Assembly. And the Executive Committee would go to management and say we've gone through this process, and this is the view of the overwhelming majority of the staff.

Now, mind you the big problem that you have and that we had as an Executive Committee and that every Executive Committee has is the one of apathy.

ZIEGLER: That's a very good point. We've discussed it as of the last few years. But this is something that is not new, from what I gather just reading in the early Staff Association annual reports.

SANDBERG: No, no, no. The membership of the Staff Association swings between apathy and belligerence. And the Assembly and the Executive Committee is in the middle, so to speak, and needs to maintain momentum in times of apathy. But they need to be there to channel the belligerence when it occurs. It can be triggered at a moment's notice by a report that the management is going to the Board and asking for 2 percent instead of 5 percent. And you suddenly have the whole staff up in arms and very frustrated. And they need then to have a channel for their frustration.

Now, the Executive Committee has to be in a position of being able to judge what the reaction of the staff is going to be, so that they are not taken by surprise or make the wrong move. They have to be prepared. And the only way that they can be prepared is to keep their ear to the ground at all times.

You know, you can go through two years without anything ever happening. And the Staff Association is then the sandbox for the Executive Committee. And they can play there to their heart's content, and they can have their own agendas. And they can have all this sort of thing. You know, that's very easy. That's not very difficult.

But then one day something happens. And if the Executive Committee doesn't react on behalf of staff but tries to play their own games and all the rest of it, at that point, then you have a disaster. And this is the frustrating part of working for the Staff Association. Because you can literally go through years without getting any sort of response or getting any feedback. And you'll have to the whole time kind of guess and act as best you can on behalf of staff. But, God help you if you get into one of these crisis situations and you misjudge.

ZIEGLER: I recall sitting in various Staff Association meetings lately and people would harken back to the palmy days of 1973, for instance, when the staff was interested in the Staff Association, being united and all this. What you're saying, it seems to me, is that you had apathy even in 1973.

SANDBERG: Of course we did. Of course we did. There are certain events that trigger a lot of emotions. But among the staff generally you always have groups of people who are particularly interested in a single issue. And those are the ones that you've got to watch so that they don't take over. Because they are not going to be able to act on behalf of the staff as a whole if something happens or when something happens. You know, they're very good at pushing for a day care center or dealing with women's issues and that's fine. But then what happens when you suddenly have a big confrontation over salaries, when the whole staff expects them to do something. It's a very tricky business.

ZIEGLER: It is indeed.

SANDBERG: I can remember being called to meetings by a constituency somewhere, a department perhaps, where the people were absolutely abusive in their expressions of frustration. You know, why aren't you doing something? Stand up to management.

ZIEGLER: More easily said than done.

SANDBERG: Exactly. And that's the time when you've got to keep your cool, but at the same time be able to channel all this energy into something constructive for the staff as a whole.

ZIEGLER: All very useful I must say.

You did have to deal with various higher level managers. Who were the ones who stuck in your mind? What sort of relationship did you have with them--I'm speaking primarily of when you were on the Executive Committee in 1972-1973--obviously McNamara was President. And probably Bernard Chadenet was the person you dealt mostly with on these administrative issues.

SANDBERG: I would think that we probably dealt on most issues with Reg Clarke and Martijn Paijmans.

ZIEGLER: So Martijn Paijmans' involvement goes way back to . . .

SANDBERG: Martijn was Deputy Director of Personnel. The Chairmen had different ways of doing this. Jim [Chaffey] liked to deal directly with Clarke and then report to the Executive Committee. Jill [Kaplan] had the system of always going as a fivesome; she used the officers, as she called us, as the smaller group of the Executive Committee to deal with management. When Clarke was away it was Martijn on certain issues. It was delegated to Martijn. And on all the administrative stuff it was Jim [James E.] Twining, who was then the Director of Administration. And also then there used to be two or three meetings a year with McNamara with all his cohorts, or whatever they're called, present. But he used to do all of the talking.

I always found Martijn very, very easy to deal with. Reg tended to be a little more rigid, a little more formalistic than Martijn. I never really dealt with any of those issues so I never really dealt with Twining.

ZIEGLER: One issue that brought you to the fore, so to speak, in the Staff Association rather late in your career was in 1986. I well remember there was an election controversy. Though involved in it as a candidate for the Executive Committee, I really didn't get involved in the nuts and bolts of your role in it all, although I must say from my own personal observation you handled it splendidly. This is one of the reasons I wanted to get you for this series of interviews. It was a potentially very divisive period in the Staff Association. All things considered, I think the Staff Association weathered it rather well. Would you mind saying just a bit about your involvement in this particular controversy? Because I think it's a good example of how to handle things properly once they do fall apart. You can put them back together again.

SANDBERG: Well, what happened was somebody called me and asked me could I come to a meeting. Because there was a big snafu over the election of Chairman of the

Staff Association, of the Executive Committee. And I walked over there and I found, as I remember, two parties very much at loggerheads with each other. Basically, you know, accusing each other of election fraud. And there were all kinds of threats being issued and walking out and so on and so forth. I can't remember who called me. Maybe it was [Lucien] Moreau. I don't know.

And I remember I would sort of listen to all of this. Now, exactly how it happened or who came up with the idea of somebody arbitrating this thing, I frankly don't remember. I remember maybe somebody said to me--or maybe I suggested that this was the way to do it--to have an impartial person look into it. Maybe I suggested it and then somebody asked if I would do it. I do remember saying that I would only do it if it had the full support and cooperation of both sides, both the [Christopher J.] Redfern camp and Donneve Rae's camp. And, you know, the tone was very high as I remember. People were very upset. And they saw this as higher level male staff against support level female staff, and they saw it all in that kind of a light.

Now, why I agreed to do it I don't know. But I did. And I think that when I took it on I had two objectives. One, I believed that this had to be resolved very fast. Secondly, I decided that to look into questions of fraud or of packing of the Assembly, that sort of thing, should if possible be avoided. I mean, if you get into that you can go on for weeks and you can take evidence. And in any case it's not clear what it says about the validity of the election.

So I decided I think almost immediately to just sort of look at this purely as a very formalistic election process question, to look and see if the election procedures and the Constitution had been properly followed. And there were telephone calls. There were memoranda written to me on various other aspects. I just put all of that aside and just looked simply at this question: how was the election conducted? It was a fairly legalistic point of view. But on the other hand, I think that sort of cuts through it. Because it then became clear that they had not. Because people who were not really allowed to cast votes had cast votes. People had cast absentee ballots. And there were various things. There were irregularities. And the election was so close that there was no way in which you disqualify certain votes because you didn't know who they were cast for. Because this is a secret ballot.

So there was no way of saying that Mr. X shouldn't have been allowed to cast a vote. You couldn't take it out, throw that vote out, because you didn't know which one it was. There was really only one way of dealing with the issue. And that was to say forget it.

Now, the other thing was that I looked at it also procedurally. I had been asked by the Chairman of the Polling Officers to look into the election.

ZIEGLER: The Chairman of the Polling Officers was really roughly handled, by the way.

SANDBERG: My report, I think, was written to her. And, of course, she had blown it. But it was unfair to her. Because again it was one of these positions where somebody called her up and said, would you be Chairman of the Polling Officers. It's a very simple job. So she really didn't know what she was getting. I thought it was a bit unfair to her.

ZIEGLER: I recall that very well, yes.

SANDBERG: So anyway, I wrote my report to her. And then we held the election--they then asked me to run that election. We tried to make it absolutely, scrupulously--and I brought in my own [unclear] to make sure that there wouldn't be any arguments afterwards. And my impression is that by and large the outcome of this was accepted with relatively good grace by everybody.

ZIEGLER: It was indeed. I was deeply involved in the election as one of the candidates. Although it wasn't from my point of view all that contentious. But I think everybody was very favorably surprised as to how well things ultimately did work out, given the very explosive nature of the whole issue.

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

SANDBERG: But I think that possibly one reason for that was that I never tried to investigate the specific charges.

ZIEGLER: That was smart.

SANDBERG: You see, if I had done that, I think we could have gone on for two weeks, and then there could well have been all kinds of disagreements with my findings. On the findings that I had, I don't think there could be any argument. But anyway, it was an interesting experience.

ZIEGLER: But not one you care to repeat, no doubt.

SANDBERG: No, thank you very much. I don't think it should have to be repeated because I think what had happened was that under pressure of apathy, under pressure of these various other things the Executive Committee had become sloppy. Procedure may not have been important, in the early years. My impression was that this was not the first time this election procedure was used. It just so happened that this particular year the whole thing was contentious.

ZIEGLER: It was close enough to be challenged.

SANDBERG: It was close enough to be challenged and contentious. In earlier years they had probably used the same system but there had been no objection to the results, so therefore it had worked. And I think what this accomplished in the longer run was to

focus attention on some of the forms that have to be observed by people who run large organizations of this kind.

ZIEGLER: Just speaking from my own personal point of view in this whole affair, I gather very clearly that you were perceived to be impartial and having the best interest of the Association at heart. I think that it went a long way to resolving the issue as neatly as possible. All things considered, I thought that it was wrapped up rather well.

SANDBERG: The Staff Association survived, right? And I think in my view did not do a bad job during the reorganization.

ZIEGLER: There are a few more points I'd like to cover with you, two questions which are essentially two sides of the same coin. What do you feel was your greatest accomplishment in your involvement with the Staff Association, or what are you most happy in having participated in or having a hand in? And what, perhaps, would you like to have done better or differently, again, in view of your Staff Association involvement over the years?

SANDBERG: Now you're opening up a big subject. I trust we have time.

ZIEGLER: We do.

SANDBERG: I've had, you know, a couple of pet themes that I have tried to push ever since I got involved in the Staff Association. I guess we have succeeded at least partially on both of them. One was access of staff to their own personnel files. When we started, files were not accessible to the staff. I could not go and look at my own file. I had absolutely no idea what was on that file. There were innumerable stories around the Bank of people who for inexplicable reasons had been given bad assignments, not given any work, being bypassed, and who through the grapevine heard that there was something on their file that was derogatory. People were not given a chance to respond to things. It was well known that anybody could write a memo to anybody's personnel file. If you and I were on a mission and you got drunk one evening I could write a memorandum to the Personnel Department that Mr. Ziegler got drunk and misbehaved. This is behavior that does not befit a Bank staff member. And it would go on your file and nobody would ever ask you a question about it. It would just be there. And anybody who was looking at you for a promotion or whatever would see it.

And this, you know, to my mind was always so grossly unfair. I argued for many years of the need to open up the personnel files and give people the opportunity to know and to defend themselves. And I think that has been a very contentious issue because, as somebody put it once, many Bank managers have written things on people's personnel records on the understanding that it would not come to the knowledge of the person they were writing about. And therefore, these files could not be opened.

Exactly what the policy is today I frankly don't know. But certainly they've gone a long way in the process of annual performance reviews.

Bengt Sandberg
February 3, 1988 – Final Edited

Of course, the other side of this is that when these things are opened they become less honest. But that's the Bank's problem. For the staff member it's important that he know what is formally on his record and what people are saying about him. And it seems to me to be a basic issue of fairness that you should be allowed to refute allegations against you. And I think that now happens. I don't think that things can go on people's records without them being given a chance to defend themselves.

Of course, again, the other side of this is that a lot of things now probably don't go on people's records, and instead you have the telephones and the word of mouth which may be worse. I don't know. But at least in the formal sense everybody knows or should know what is going on his record. I never looked at my personnel file, so I have no idea what may be on there from 1970, 1971, 1972. That's issue number one.

The second issue about which I have been very concerned of course is the whole question of the ability of Bank staff to get management decisions reviewed, the whole appeals process. And I guess if there's anything I feel good about, it has been my involvement with the Appeals Committee. Well, in fact it's in the report that we wrote for 1973. I didn't realize it was that long ago that Reg Clarke established an ad hoc review committee to hear the case of a man who had been dismissed from the Bank, an economist who had been fired. And I guess he wanted it to test an appeals committee system. So he by letter appointed three members to hear this case. That was in 1973. Do you know who the Chairman was of that group?

ZIEGLER: No.

SANDBERG: Ernest Stern. Ernest Stern was then the Director of Economic Policy in [Hollis] Chenery's office. And the other member was Guy Pfefferman. And I represented the Staff Association. That was very interesting because in essence we really didn't know what the hell we were doing. We met in camera. We talked to the parties. And we reviewed the documents. It was a question of performance. The documentation that this man had produced. Whether he was up to the quality of the Bank. But the interesting thing was that at the end of the first round here, Pfefferman and I had come to the conclusion that the man should be given another chance. And Stern went along with that. I've never been quite sure whether he did that because he wanted to have a unanimous view or whether he really felt that way. He seemed reluctant at the time. But he went along and we had this consensus.

And then after we had reached this conclusion we learned that some of the reports that we had been reviewing as being the work of this man were in fact AID [U.S. Agency for International Development] or some other reports that he had simply changed the name on and presented as his own. So unfortunately we were then of course forced to agree that there was no place for this man in the Bank as this was not conduct that we could accept. At the time I was very upset because I had hoped that we would test the management's commitment to an appeals process by having a case where we would find for the appellant. So I had been very pleased when we had reached a consensus. But in retrospect

when I thought about it today, maybe it was lucky it turned out this way. Because maybe if we had found for the appellant, that Reg Clarke and company would never have agreed to set up an Appeals Committee. I don't know.

But anyway, then of course the Staff Association put me on the Appeals Committee. I've served on it ever since. That has been very, very interesting. One of the interesting things about the Appeals Committee is that when people get on it they tend to become--let me put it this way--men of principle. Even people who you think you're worried about, saying I'm not sure that this guy is really prepared to be critical of the management. When they come and get on the Appeals Committee somehow there's something in the atmosphere and they feel the weight of sort of being here, sitting in judgment or whatever, whatever it is that makes them really become much more fair and open minded than you would ever believe and much more courageous. That's also interesting to see.

And ever since the first two cases that I sat on, I can't recall a single case where there's been a divided opinion. It's always been unanimous. The very first one I wrote the minority opinion. And in the second case I managed to get one of my two panel members to agree with me and the third one was forced to write the minority opinion. But since then it's all been unanimous.

I must say that I am very worried about it at the moment. You know, the Appeals Committee is only advisory. And the idea is that it's supposed to be advisory to the President. And the President has delegated the final decision to the Vice President-Administration. At least in cases where the Vice President-Administration has not been himself directly involved, in which case he should excuse himself, and the report then goes to the President.

Now, early in the history of the Appeals Committee we had a major confrontation. There was a major issue that had to do with the way the process was working. And Paijmans was then the Director of Administration.

ZIEGLER: He's never been the Director . . .

SANDBERG: No, he was Vice President. He was the Vice President concerned. Anyway, what Paijmans did in some of the early cases was that he took the report of the Committee and before he made his decision, he consulted with his staff. He sent it to them for comments. Now, in most cases, they were of course the people who the appeal was against. They were a party to the appeal. The members of the Appeals Committee got extraordinarily upset. They felt if this was the way he was going to do it, then for God's sake let him go and do his own investigation. Why have an Appeals Committee? And I remember there were mutterings about mass resignations if this situation persisted.

He then changed his method of operation. And for the rest of his tenure, at least as far as I was able to determine--and in a formal sense I'm sure he did this--he wore one hat as Vice President-Administration, having this delegated from the President. And he took the reports and he looked at them. And maybe he consulted files. But whatever he did he

reached a decision on the basis of the documentation as given to him by the Appeals Committee. And I think he also tried very hard to delegate to his subordinates most issues that were likely to lead to an appeal so that he would not have to excuse himself in the process. Because that would obviously have caused a problem if the President himself had gotten these reports. He wouldn't have known how to handle them.

Now, the problem is that we now have a new Senior Vice President for Personnel and Administration. And I am not sure, because we have not been able to talk to him, I'm not sure how he sees his role in the appeals process and how he sees the role of the Committee. I know that this is an issue that is disturbing the Staff Association. And I think it's going to be a subject of discussion. But I think it's a terribly, terribly important issue at this particular point in time.

ZIEGLER: I know recently there have been discussions with Mr. [Willi A.] Wapenhans, so presumably this would be among the items . . .

SANDBERG: But I think it's very important that there be full openness and full agreement on what the role of the Appeals Committee is and what his role is in this process. If that isn't sorted out then we can have all kinds of confusion. And, of course, in those early cases we also didn't have the Administrative Tribunal. Now, I guess maybe it makes less of a difference if he does this, consults with [William J.] Cosgrove [Vice President – Personnel] or whatever, and then reaches a decision which is contrary to the Appeals Committee's recommendation. Then the appellant can always go to the Tribunal. In the old days the appellant had no place to go after Paijmans had made his decision. So I guess maybe the issue was more important then than it is today.

The other thing that I guess was also more important then than it is today, although I still think it's very important, is that the Appeals Committee then being the only forum for appeals, we thought and I thought that it was rather important that we follow certain forms. We couldn't just be a group of three people chit-chatting around the table. We had to have a certain legal or judicial or whatever, framework within which to do this. This is one of the reasons, I guess, why we became fairly formal. But, you know, one of the reasons why people go to the Appeals Committee, the reason they go is that they believe that they have not been given due process in the Bank. So the function of the Appeals Committee is to ensure that the appellant, the staff member, gets due process, that he is heard. You can't begin to count the number of people where it's so clear when they come to the Appeals Committee the complaint is that nobody has listened to them.

ZIEGLER: Do you find that frequently?

SANDBERG: Oh, that's the common denominator. And you'll find that the six or seven hours of hearing that we have in the Appeals Committee probably is a longer period of time than this appellant has ever had to discuss his problem with anybody in the Bank. Because nobody's listening.

So all I want to say is there's a lot of discussion about trying to make the process more informal and all the rest of it which is all well and good. But I think that if the Appeals Committee is going to fulfill its function it does need to have a certain formal process and formality around it. So that's the Appeals Committee.

Now, the other thing I'm proud of is the institution of Ombudsman, because that was established as a result of work by something called the Jennings Committee, which was a group of people which was appointed to review the rules of procedure and the Staff Rule surrounding the Appeals Committee, the whole appeals process, at a time when the Tribunal had just been established. And one of the results of this was that either Hultin or I or both of us suggested the establishment of an ombudsman. Which incidentally the chairman, as I recall it at least at the beginning, was adamantly against.

ZIEGLER: Chairman of the Staff Association?

SANDBERG: The chairman of the Jennings Committee, Mr. [James H.] Jennings, who was then the Deputy Director of Personnel. He didn't like the idea at all. But anyway, that's where it came up. Again, one interesting thing about that is I think Hultin and certainly I pushed very hard for making the Ombudsman an appointee of the Board rather than of management. Because, similar to the OED Director General, we felt that the Ombudsman needed to be separate from the management of the Bank. Ultimately that didn't come to pass. But I think that doesn't seem to have affected the effectiveness of the Ombudsman.

One other issue on which I have felt strongly is the right of the staff member to organize and live his life, his private life, without interference from the Bank. I mentioned before this kind of morality that was kind of prevalent in the Bank. I remember one time this came up, where we sort of laughed about this, was in the Outside Activities Committee. Do you remember when Congressman Wilbur Mills was down by the Tidal Basin with Fanne Fox, and Fanne Fox jumped in? Well, according to the newspaper reports at the time, very far down, evidently a secretary in the Bank was present in the car at the time.

ZIEGLER: I didn't know that.

SANDBERG: And one of the questions that was raised by somebody at one of our meetings was whether being associated with such activities was to be considered conduct embarrassing to the Bank and subject to disciplinary action. More legitimately the Bank was always concerned about financial transactions by Bank staff, and properly so, or political and all kinds of other things.

But one of the things that I did also contribute to was the revision of the Administrative Manual Statement entitled "Duties and Obligations of Staff Members." We managed to make them more precise in these areas of personal conduct.

ZIEGLER: Ones that could definitely affect one's performance.

*Bengt Sandberg
February 3, 1988 – Final Edited*

SANDBERG: Exactly. Performance in the institution and financial embarrassment, of course embezzlement, these sorts of things that are much more important to the Bank than if a Bank staff member conducts his sexual life in a way that has nothing to do with his activities in the Bank. In the field of financial dealings, we tried to make it much more of a disclosure type of requirement rather than to forbid a lot of things.

But there was one incident in that context which may be interesting here because it also shows something about the way that McNamara viewed the Bank. When we set up the Appeals Committee or the Outside Activities Committee, we argued that staff members needed some place to go to get an authoritative opinion about what is allowed and what is not allowed in certain respects. And if whoever it was in the Bank said yes, then the staff member should not be punished later.

This is something we have in Sweden in the tax field where you can get an opinion before you take a certain action, buy stocks or whatever. You can get an opinion as to what the tax effect of this is. And if you then do what you're told, you cannot be taxed. Staff members need to know that if they invest in a certain stock or if they agree to do certain things and they get this approval and then they do it, then somebody else says, no you can't do that, they can't be disciplined for that.

So that was the idea. The Committee should have final authority in certain cases to say yea or nay to a proposal by a staff member. That was incorporated in the early rules under which that Committee operated until the famous Chenery case. You remember the Chenery case?

ZIEGLER: Is this the one about the race horse?

SANDBERG: No, no. He was owner of the race horse. He and his sister owned Secretariat. That's true. Chenery was then the Vice President of Economics and Chief Economics Advisor. This was in 1974, in connection with the oil crisis. His father had made investments and made a lot of money in oil pipelines. It was a pipeline company, somewhere in the south. I can't remember which it was. It was heavily involved in transportation of natural gas and may even have been in exploration. I don't remember. But it was an energy-related company. And Chenery represented the family on the board of directors of this company. This was something that Mr. McNamara knew about when Chenery came to the Bank and it had in fact been approved by the Board of Executive Directors of the World Bank that he could maintain his stock holdings and represent the family on the board of directors of the company.

But then came the rules of conduct of outside activities. And under these no Bank staff member was allowed to serve on the board of directors of any profit making--I think it was profit making--company or organization without the approval of the Committee. Chenery came to the Committee and asked for the Committee's approval as a matter of form, as he said, to serve on this Board. In the meantime, you'd had the oil crisis. The Bank was in the midst of collecting all kinds of information and analyzing the world energy market. And the one who was in charge of all this work was Chenery. So the

situation had changed dramatically when he came to the Committee. We had various meetings with him. At one point I remember there was a front page story in the Wall Street Journal where they raised this question of Chenery's position in the Bank and his stock holdings and his board membership.

Ultimately, the Committee ruled that Chenery could not sit on the board because of his position in the Bank. He could not sit on this board. He had to resign, which he ultimately did. But Mr. McNamara, who I think had come to the same conclusion before the Committee reached its decision, discovered that here was a Committee that had the power to decide on something which could greatly embarrass the Bank. And if the Committee had said, Mr. Chenery, yes, you can be a member of this board, there wasn't a damn thing that McNamara could have done about it under the rules as they were then set up. And this upset him. I never talked to him myself. But the result of this was that he immediately had the rules and the composition of the Committee changed and made the Committee advisory to the Vice President for Personnel and Administration. And made the Vice President for Personnel and Administration an ex officio member of the Committee to make sure that the Committee would never reach . . .

Now, as I said we found the way he wanted us to find. And, of course, he had approved this long before.

ZIEGLER: So before that the Committee had binding power.

SANDBERG: That's right. That's right. But that was then taken away. And this led to, again, a major confrontation. I had a major confrontation with Chadenet on this issue because I thought this was ridiculous.

This experience is one of the reasons why the Appeals Committee is also advisory. Because McNamara just simply could not live with any group of staff members being able to decide on an issue of importance to the Bank against his wishes.

ZIEGLER: Or potentially against his wishes.

SANDBERG: Potentially against his wishes. It doesn't show very much trust in the judgment of these Bank staff members involved in this. Normally I would have argued, maybe I did, but I would have argued that an Appeals Committee of this kind that we have in the Bank should be deciding and not advisory. But the fact that it is advisory goes back to this experience in the other Committee with the Chenery case and McNamara's personality. That's why it is the way it is.

ZIEGLER: McNamara was somewhat authoritarian in his conduct.

SANDBERG: Yeah, control was very important to him. And, of course, by giving authority to somebody else to reach a binding decision, you lose control.

ZIEGLER: The other side of the coin is, what would you like to have done better? Let's not make it quite so personal. We can phrase it differently. In the areas that you were involved in, what do you think the Staff Association could have done better than it did? We can even go all the way back to the beginning in 1972, 1973. You gave quite a full account of the issues involved in the Appeals Committee. But are there things that retrospectively you might have suggested or advised or even personally done differently looking back on it now as opposed to what in fact was done?

SANDBERG: I don't think so. That's not because I think that everything was perfect. I think what distressed me most over the last few years has been the erosion of the status and the credibility of the Staff Association both vis-à-vis the management and vis-à-vis the staff. In 1986 I remember people telling me that the Staff Association was down to a membership of 54 or 55 percent of Bank staff. Now, you know, that's terrible.

ZIEGLER: It's better now.

SANDBERG: Yes. Well, that's good. But that was pretty terrible. But I don't know. Structurally I don't see that one could really have done anything to ensure greater and more continuous support of the Staff Association. I still think that the structure we have is in a kind of a formal sense probably as good as it can get if you want to have a structure that makes it possible for the Staff Association to represent the vast majority of the staff

[End Tape 2, Side A]

[Begin Tape 2, Side B]

SANDBERG: But the question is how do you inspire and activate the structure, and in particular how do you inspire and activate the Delegates, and how do you avoid having the Assembly and, more in particular, the Executive Committee, be a playground for special narrow interests? I think that some of the uproar--although I guess it didn't become all that vocal--over the day care center a couple of years ago may have been symptomatic of this, where a lot of people felt that a few people in the Executive Committee and the Staff Association had managed to lay their hands on a good piece of the dues paid by the membership as a subsidy and that this was done without complete . . .

But how do you activate the Delegates? How do you get Delegates who are really concerned what their constituents think? And how do you activate the constituents? As I said, the constituents take the Staff Association for granted. They really only have use for it when there's a crisis. But it's the responsibility of the Delegates and of the Executive Committee to inspire or to maintain this thing so that it is available in case of a crisis. And keep it oiled so that it functions in a crisis.

ZIEGLER: Just following onto that very point, what then should be the role of the Staff Association in the Bank? And I'm thinking of this both vis-à-vis management and the institution on the one hand and its constituents on the other? The reason I'm asking this one is I think a lot of people join the Staff Association--or not join, but get involved in

the Staff Association--for very particular reasons. I certainly have my own. And I think a lot of the motivation here is colored by the view that you have. What should it be doing? What is the nature of its relationship between these two entities, the management/institution on the one hand and the staff on the other, the constituents?

SANDBERG: Well, this may be a little naive. But I've always believed that there is a tremendous amount of congruence between the interests of the staff and of the institution. Most people who work for the Bank really don't see themselves as being apart from the institution. They see themselves as a part of the institution. And in a sense the Bank works because of its staff, almost despite its management.

ZIEGLER: Yes.

SANDBERG: You know, sometimes you almost have that feeling. That's why you don't worry about reorganizations because you know it will work. Because the staff will make it work. Whether it's stupid or not they will make it work. But that leads me to the conclusion that you're not really talking about--if you look at the interest of the Bank staff, the majority of the Bank staff, I don't think that they are interested in or well served by confrontation with the management. I think it's a cooperative effort to try to make this a better place and a better place to work. I'm prepared to believe that by and large the management is still fairly patriarchal. They really feel protective of the staff. They don't deliberately try to--you know, they are beset by budget problems and all these other things. But it seems to me anyway that it's a cooperative venture for both Management and staff to try to make this a better institution.

Now, the problem with management is that they have no way of really gauging what the Bank staff feels and thinks on issues that affect them directly. The hierarchical system doesn't work. The suspicion of the Personnel Department is so deeply ingrained that if the management goes to the Personnel Department to try to get a feel for the mood of the staff on a particular issue there's no way they can get any . . .

ZIEGLER: The attitude survey is perhaps a bit cumbersome.

SANDBERG: Yes, and the question is of course also of interpretation. So you need--the management needs a sounding board to get a response, to get a feel for how things will be received. You know, they can make horrible mistakes purely in presentation of some things. And they really need to have somebody to talk to who can speak with authority on behalf of the staff, but on behalf of all the staff. And the only one that they can do that with is the Staff Association.

Because in the past and even now sometimes you have these edicts going out to all directors to hold staff meetings and to get the staff views on something or other. You must have been to those staff meetings. They never get any . . . They go back and they report everybody's happy as a clam. But then if you've been to the staff meeting you know that maybe two people who are concerned about the way the director views their performance would speak up and say, yes, this is fine. But all the people who were

grumbling will just be sitting there and looking at their shoes. This happens around the Bank all the time. So that system doesn't work.

Then they tried, as in the reorganization, task forces and holding meetings and all the rest of it. That also doesn't work very well. You do need to have a separate channel of communication where people can express their views anonymously and where they can be aggregated and where you get the weight of the views of the Bank staff as a whole. That is very powerful.

ZIEGLER: And it's also outside the hierarchical system.

SANDBERG: That's it exactly. And that doesn't mean that the department managers are bad managers or anything of that kind. I think the staff members need to know that there is some way in which they can communicate with management without sticking their personal neck out in a staff meeting or something of that kind.

ZIEGLER: That can be an unhappy experience.

SANDBERG: Yes, that's right. You can meet with your colleagues separately. You can instruct your Delegates *ex officio* who sits in a Delegate Assembly or in the Executive Committee. They go to management and, you know, they're not saying that I believe department X is being badly run and so on and so forth. But they can say, well, this is the view of the staff as expressed through these various means. And I'm only the messenger. I think staff needs that. As I said, when there's a crisis, the frustration builds up. So it's like the management also needs the Staff Association because the Staff Association can act as a lightning rod for this sort of thing. So instead of everybody just being generally mad you can channel things in a constructive discussion between the two. But neither party is or should be interested in confrontation. That I don't believe. And I think that any time that you try to coerce the management through strikes or sit downs or this sort of thing, they're just not going to listen.

ZIEGLER: Is there any particular advice that you would leave for your successors? Or anything we haven't covered? Let's put it that way. Anything we haven't covered that you might like to incorporate here?

SANDBERG: I can't think of anything other than you know I come back to this question of communication. That really is the key.

ZIEGLER: Communication.

SANDBERG: Communication. You know, the key problem for the Executive Committee is to crank this machine up and get it to work and keep it oiled. Except that it may be frustrating for long periods of time. But the machine better be in working order.

ZIEGLER: Well, thank you very much. This has been a very constructive and informative interview. And I appreciate you participating in this special project with the Staff Association.

[End Tape 2, Side B]

[End of interview]