

Robert S. McNamara at the World Bank Group: A Chronology of Significant Events

1968

April 1 – Robert S. McNamara becomes President of the Bank, IDA, and IFC.

August 19 – Lester Pearson accepts the chairmanship of an international commission to examine world development. (The Pearson Commission Report *Partners in Development* was issued in September 1969.)

September 30 – Mr. McNamara made his inaugural speech at the World Bank Group Annual Meetings in Washington, D.C. He outlined a bold five-year program. He refused to accept the view that adequate resources were unavailable. He proposed that the Bank double its overall lending over the next five years, as compared to the past five. This meant that the Bank would lend, during the period 1969-73, nearly as much as it had lent in its entire previous 22 year history. The Bank increased substantially its borrowing and McNamara pledged to expand the Bank's borrowing throughout the capital markets of the world. The character of the lending would also shift. Lending to Latin America would more than double and lending to Africa would more than triple previous amounts. The Bank's poorest member nations would get special assistance. Lending for education would triple and lending for agriculture would quadruple. Population growth was identified as a major hindrance to economic growth and social well-being.

1969

May 1 – Mr. McNamara delivered an address at Notre Dame University. He gave a major full-length address on “the most delicate and difficult issue of our era – perhaps of any era in history”: the problem of excessive population growth. This well-received address became the most famous speech President McNamara made during his tenure.

July 23 – The Second Replenishment of IDA comes into effect with a commitment authority of \$1.4 billion for the three year fiscal period of 1969-1971.

September 29 – Mr. McNamara addressed the Bank's Board of Governors at the 1969 Annual Meetings in Washington, D.C. He stressed that the Bank was deeply committed to the quality and effectiveness of its development projects and promised a new emphasis on population planning, educational advance, and agricultural expansion. He said that development was more than just economic growth and he urged immediate action upon the recommendations of the Pearson Report.

1970

March 31 – President McNamara proposed the formation of a Consultative Group for the support of existing and new international agricultural research organizations. (CGIAR – The Consultative Group for International Agricultural Research – was formally established in May 1971.)

June 22 – The World Bank approves Loan 0690 – Population Project, for \$2 million to Jamaica to support the government’s family planning program. This was the Bank’s first loan for family planning. The project provided for the construction of a new 150-bed wing to the Victoria Jubilee Hospital in Kingston and for the remodeling of the existing hospital structure. Ten rural maternity centers were constructed and equipped and family planning personnel were trained.

September 21 – President McNamara addressed the Board of Governors at the 1970 Annual Meetings in Copenhagen, Denmark. He spoke about the recommendations of the Pearson Commission, the dangers of over-population. “We cannot allow the fundamental task of developing the undeveloped nations of this planet to fail for lack of resources – both the resources needed for research and experiment, and the much larger resources needed to back the policies which we already feel to be successful.”

1971

April 22 – Water Supply and Sewerage, the first of a series of sector study papers requested by Mr. McNamara, was published.. Other papers in this series included Population Planning, Agriculture, Urban Growth, Forestry, Telecommunications, Industry, Tourism, Education, Rural Development, Urban Transport, Rural Electrification, Village Water Supply, and Development Finance Companies.

June 21 – The World Bank approved Loan 0757 – Sao Paulo Water Supply and Pollution Control Projects in Brazil – the first Bank loan for pollution control.

September 27 - President McNamara addressed the Board of Governors at the 1971 Annual Meetings in Washington, D.C.

1972

January 7 – A major reorganization of the Bank was announced. This reorganization was implemented in August 1972 and remained the largest structural change in the Bank’s history until the 1987 Reorganization.

June 30 – The World Bank announced it had achieved the goal set by President McNamara to provide twice as much assistance in fiscal 1969–73 as it did in the previous five years. For the first time lending for agriculture exceeded that of any other sector.

June 8 – President McNamara addressed the United Nations Conference on the Human Environment in Stockholm, Sweden. He spoke on the dilemma between economic growth and environmental concerns, arguing that the two were not irreconcilable.

September 25 – President McNamara addressed the Board of Governors at the 1972 Annual Meetings in Washington, D.C. He again stressed the population issue: “The argument I shall make is that: malnutrition is widespread; it is the major cause of high mortality among young children; it limits the physical – and often the mental – growth of hundreds of millions of those who survive; it reduces their productivity as adults; and it is therefore a major barrier to human development.”

1973

April 1 – Robert McNamara began his second term as President of the World Bank Group.

April 16 – In a memorandum to the Bank’s Executive Directors, President McNamara proposed that the Bank take the lead in mobilizing international funds for an onchocerciasis (riverblindness) control program. The Executive Directors approved the plan, and the Bank convened the first meeting of the Onchocerciasis Control Program (OCP) in June. The first OCP funds became available in March 1974.

September 24 – President McNamara addressed the Board of Governors at the 1973 Annual Meetings in Nairobi, Kenya. He introduced the term “‘absolute poverty’: a condition of life so degraded by disease, illiteracy, malnutrition and squalor as to deny its victims basic human necessities...a condition of life so common as to be the lot of some 40% of the peoples of the developing countries.”

1974

October – The Interim Committee of the IMF and the Development Committee were established.

September 30 – Hollis Chenery’s *Redistribution with Growth* was published. The anti-poverty strategy paper discussed income distribution and economic growth and was produced by the Development Policy Staff, a department McNamara created to strengthen the Bank’s policy advice.

September 30 – President McNamara addressed the Board of Governors at the 1974 Annual Meetings in Washington, D.C. In response to the oil crisis and inflationary pressures, McNamara called on the developed countries to increase their development assistance: “Aid is not a luxury – something affordable when times are easy, and superfluous when times become temporarily troublesome. It is precisely the opposite. Aid is a continuing social and moral responsibility, and its need now is greater than ever.”

1975

January 17 – In response to the world food crisis, the World Bank, FAO, and UNDP collaborate on the organization of the Consultative Group on Food Production and Investment in Developing Countries (CGFPI).

May 19 – The first World Bank loan specifically targeted toward improving the environment was signed with the government of Finland – Loan 1109 – Water Pollution Control Project. The project included investments in water pollution control works by industries (particularly the pulp and paper industry), and research to improve the design and implementation of national programs for water pollution control.

September 1 – President McNamara addressed the Board of Governors at the 1975 Annual Meetings in Washington, D.C. He continued to expand on the relationship between economic growth and poverty and said that what was required were policies that would enhance the productivity of the poor, removing barriers to their earning opportunities, and improving their access to public services. He located the overwhelming majority of the poor in rural areas, and said that the Bank had moved ahead with an enhanced program of rural development. At the same time, the life of the urban poor was “unspeakably grim”. He stated that the “central task of development is the reduction and ultimately the elimination of absolute poverty.”

1976

January 28 – The first funds from the Intermediate Financing Facility – “Third Window” – (using OPEC and other contributions to an Interest Subsidy Fund) became available. The loans were to Thailand for two projects to assist the rural poor.

October 1 – World Bank and the Government of Brazil sign Loan 1302 – Nutrition Research and Development Project. This was the Bank’s first loan for nutrition and the loan focused on providing benefits to rural mothers and their children.

October 4 – President McNamara addressed the Board of Governors at the 1975 Annual Meetings in Manila, Philippines. He called for cooperation and coordination among the various international development agencies.

1977

January 14 – President McNamara suggested the creation of a new private commission to help break the impasse in the discussions between the rich and poor nations (north-south) related to economic development. Mr. McNamara stated that the issue had been discussed in official channels without meaningful result, and that a new forum was needed. He suggested that Willi Brandt, the former Chancellor of the of the Federal Republic of Germany, be the chairman of the Commission. The Independent Commission on International Development

Issues (the “Brandt Commission”) released its final report in 1980 – North-South: A Program for Survival.

April 28 – President McNamara addressed an audience at the Massachusetts Institute of Technology on the subject of World Change and World Security. Focusing on the issue of rapid population growth, McNamara stated that the issue was not one to be decided by a few governments but, rather, one that would be decided by hundreds of millions of individual parents, who would ultimately determine its outcome.

September 26 – President McNamara addressed the Board of Governors at the 1977 Annual Meetings in Washington, D.C. He called for continued research into the problems of development, and promised that the Bank would produce a report on world development. “Economic growth is a necessary condition of development...but in itself it is never a sufficient condition...Economic growth cannot assist the poor if it does not reach the poor.”

November 29 – The fifth replenishment of IDA resources goes into effect with a commitment authority of \$7.6 billion over the three-year period fiscal 1978-1980.

1978

August 16 – The first World Development Report is published. The theme of the first WDR was the prospects for accelerating growth and alleviating poverty and identifying major policy issues affecting those prospects.

September 25 – President McNamara addressed the Board of Governors at the 1978 Annual Meetings in Washington, D.C. He repeated his concern that economic growth was not benefiting the poor, and called for measures that would increase the productivity of the poor, and increase their access to essential public services. These measures include clean water, basic education, medical care, electricity, and public transportation.

November 7 – The Executive Directors reviewed environmental policies and practices of the Bank and endorsed a Bank policy that sought to control the environmental impact of its projects.

1979

May 10 – President McNamara addressed the United Nations Conference on Trade and Development (UNCTAD) in Manila, Philippines. He urged the international community to provide additional assistance to developing countries that undertake “structural adjustments” for export promotion. He warned that the growing trend of trade protectionism would undermine economic development and recommended that the World Bank make available program lending in appropriate cases.

May 22 – President McNamara addressed an audience at the University of Chicago. He focused on development and the arms race, saying that the concept of security had become erroneously and dangerously oversimplified into a military problem which nations thought could be addressed through an increase in military hardware. Better alternatives to an arms race include the acceleration of economic and social progress in the developing countries. He pointed out that the wealthiest nations – Germany, Japan, and the United States – are seriously deficient in their levels of assistance to the developing world, and that increased development aid would increase world security.

July 24 – Proposals to begin lending operations in health are approved by the Executive Directors.

October 2 – President McNamara addressed the Board of Governors at the 1978 Annual Meetings in Belgrade, Yugoslavia. He continued to remind the developed world of the painful dilemmas in the developing world that could no longer be ignored or postponed.

1980

January 4 – The Board of Governors approves a general capital increase of approximately \$44 billion. It becomes operational July 1.

March 25 – The World Bank's first Structural Adjustment Loan (SAL) is approved by the Executive Directors: Turkey – Loan 1818, for \$200 million. The loan was to finance high priority imports to assist fuller utilization of productive capacity in agriculture and industry.

May 15 – The People's Republic of China assumes representation as China in the World Bank Group.

September 30 – President McNamara addressed the Board of Governors at the 1980 Annual Meetings in Washington, D.C. It was his valedictory address and summarized his concerns from his 13 years as President of the World Bank Group. In 1968 World Bank Group lending was approximately \$1 billion. By 1980 this figure had increased to \$12 billion. In the same period the Bank Group had made a determined effort to assist its member countries in developing policies and programs to assist the poor to become more productive and to assure an equitable distribution of basic services. While lending for basic infrastructure had increased, it was meant primarily to be the means by which the absolute poorest of the world could have access to the “basic needs” that were required for “fundamental human dignity”.

1981

June 30 – Robert McNamara ends his tenure as President of the World Bank Group. A. W. Clausen becomes the sixth World Bank Group President.

*Prepared by James M. Huttlinger, World Bank Group Archives
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