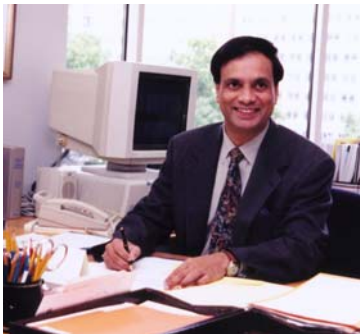


Fall 2001

# WBI News



## WBI Vice President, Vinod Thomas, Takes up New Post in Brazil

In December 2001 Vinod Thomas, Vice President of the World Bank Institute, will leave his current position to take up the post of Country Director for Brazil. Replacing Vinod as Vice President of the WBI is Frannie Leautier, currently Director in the Office of the Bank's President. The Spring Issue of WBI News will carry her incoming interview.

In the years since Vinod took up his position at WBI, the Institute has undergone a great many changes. In this interview, Vinod shares some of his recollections and insights about this transformation.

*"This has been an unforgettable opportunity to work closely with a wonderful and dedicated staff. The changes at the Institute could not have been effective without the close interaction with the clients and the commitment of the staff."*

Vinod Thomas

### **Q: How is today's WBI different from the one you joined in 1994-95?**

**A:** The most striking change is that a relatively isolated Economic Development Institute (EDI) has transformed itself into an Institute that is more integrated with the World Bank. This has made our work that much more relevant and has also raised the stakes and the responsibility for staying at the cutting edge. The opportunities WBI faces today are much greater than in 1994-95.

### **Q: What were the challenges you faced when you assumed leadership of the Institute?**

**A:** The most serious challenge at that time was the peripheral place EDI held on the World Bank's agenda. This in turn made the question of scaling up the Institute's activities problematic. In sum, the crucial challenge was first to raise the relevance and impact in consultation with our clients as a precondition for expanding quantity and scale.

### **Q: What, in your opinion, are the major landmarks and achievements in the evolution of the Institute since you assumed leadership?**

**A:** The relaunching of EDI in 1995 benefited from an Advisory Committee and focus groups of clients. Their feedback led to the formation of an Institute focused on five sectoral groups for the learning programs. As quality improved in these sectors and themes, they served as building blocks for the future. This led to EDI receiving a one-third budget increase, endorsement by the President, and support from the Bank's strategic compact. The first Global Knowledge conference in Toronto in 1997 signaled the Institute's direction to build knowledge elements



## Vinod Thomas Interview, Continued

into the learning programs. The establishment of an evaluation unit and coordinators for each of the regions in 1998 marked an effort to ensure the relevance of the programs and their impact. In 1999, EDI and the Bank's [Staff] Learning and Leadership Center merged and formed WBI.

Leading up to this merger and continuing to this day, WBI's External Advisory Council has played a key role in the evolution of the Institute. By the end of 1999, the Institute with its set of well-defined products—core courses, policy services, and knowledge networks—increasingly reached a broad audience with the use of new technologies. In view of its expanded role, WBI became a Vice Presidency in 2000. The most significant shift since then concerns the establishment of the Global Development Learning Network, which has helped to multiply the participant reach of the Institute. The recent move of the knowledge-sharing function to WBI can further strengthen the links between learning and knowledge.

**Q: In 1995 you were asked, "what is the biggest change EDI should expect to see?" You indicated "a greater focus and impact" in shifting from "sectoral courses toward the most important themes for developing countries." How far have we come on this?**

**A:** The changes over the years have indeed been directed at greater focus and impact. The effort this year has been to deepen these reforms and to realign the entire program more closely with World Bank and country priorities. We've been making the shift from sectoral, and often self-standing, courses to cross-sectoral, thematic programs that are much more directly related to policies, actions, and results on the ground. In this process, the Institute now works jointly with the Bank's Regions and Networks in delivering 15 thematic programs. However, much more work is to be done to get the fullest impact from this cross-cutting, team-based, and thematic approach.

**Q: How well do you think WBI's work is integrated with country strategies?**

**A:** The shift in recent years has been aimed at placing WBI programs within country strategies. This is work in progress. Learning programs have been explicitly aligned with country strategies in a number of cases, such as in Ghana, Pakistan, Russia, and Vietnam. WBI's size and coverage, however, are far too limited to include all countries. The effort, therefore, is to work with the country teams in a highly selective manner, providing examples, support, and leverage.

**Q: What are your best memories of the past six years?**

**A:** From China and Indonesia to Egypt and Morocco and from Côte d'Ivoire and Nigeria to Argentina and Colombia, this has been a unique opportunity for me to learn with clients about the issues of greatest urgency. This has also been an unforgettable opportunity to work closely with a wonderful and dedicated staff. The changes at the Institute could not have been effective without the close interaction with the clients and the commitment of the staff. I have been fortunate to enjoy both these dimensions, and I'll miss them.

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## The Global Forum on Fighting Corruption and Safeguarding Integrity

In May 28–31 of this year, the Netherlands' Ministries of Justice, Interior, Economic Affairs, Finance, and Foreign Affairs, with contributions from the World Bank, organized the *Global Forum on Fighting Corruption and Safeguarding Integrity II* in the Hague. The goal of the forum was to mobilize support against corruption both internationally and in individual countries. Some 120 ministers and 1,600 experts attended from around the world.

One of the World Bank's contributions consisted of several applied workshops that dealt with the topics of state capture, voice, public participation, governance diagnostics, public sector management, and the role of donors and the media in fighting corruption. Another contribution to the forum was an Internet survey spon-

sored by the World Bank Institute. The questions in the survey included:

- What types of corruption are the most widespread and costly?
- What factors most help to ensure a transparent, honest, and efficient judiciary?
- Who should take the lead in programs



**Eveline Herfkens, Netherlands Minister for Development Cooperation**

to control corruption?

- Should donor institutions withhold financial support from countries where corruption is rife?

Respondents, perhaps surprisingly, tended to focus on:

## Global Forum, Continued from page 2

- Corruption at the highest executive levels, which was regarded as the most widespread form of corruption, and mis-governance within rule-of-law institutions
- State capture, which was regarded as the most costly type of corruption and was also seen as the key impediment to a transparent judiciary. In the capture economy, the policy and legal environment is shaped to the captor firm's huge advantage, at the expense of the rest of the enterprise sector. The evidence suggests that improved property rights protection and civil liberties can significantly reduce the capture economy.

Survey responses also indicated that formulating anticorruption programs in a participatory fashion and with a broad coalition of stakeholders is crucially important. In addition, survey participants felt that donors should dispense funds only where serious commitment to better governance is in place. The survey results yielded insight into important

regional differences in the challenges of good governance.

In an opening keynote address, Netherlands Minister for Development Cooperation, Eveline Herfkens, stressed the crucial role of a free and open media. She went on to note the importance of the Poverty Reduction Strategy Paper process in combating corruption and international collaboration in controlling money laundering. Finally, she discussed empirical diagnostic tools, referring to the "groundbreaking research of the World Bank Institute in quantifying and qualifying the various types of corruption and the price of corruption in a globalizing world," and emphasized the need to address the challenge of state capture.

Several ministers from emerging economies participated in the session on Donors, International Financial Institutions, and Fighting Corruption. In this session, the keynote presentation covered the results of empirical diagnostic surveys in general. In particular the governance Internet survey discussed previously pro-

voked a lively debate about adapting programs to local conditions and about the wisdom of conditionality in funding.

In the concluding special ministerial session, former World Bank President Robert McNamara highlighted the importance of country-specific programs and actions to curb corruption and the need to address high-level corruption in the form of state capture. He also pointed out the critical role that baseline diagnostic surveys can play, both in measuring corruption and as a means of catalyzing broad-based coalitions of government, the private sector, and civil society. The forum issued a final declaration that specified several government commitments, including the development of a United Nations instrument against corruption. The declaration also pointed out the need to monitor the effectiveness of national anticorruption strategies and to identify best practices.

**More information about forum workshops and related items is available at <http://www.worldbank.org/wbi/governance/gf2hague.htm>**

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## Empirical Surveys Guide Efforts to Curb Corruption

In the second of a series of meetings held as part of the European International Policy Forum, representatives from the EU institutions, the international donor community, and industrialized and developing countries came together in late July for a joint World Bank-European Policy Centre seminar on Good Governance and Anti-Corruption to look at ways of ensuring good governance and fight corruption, especially in countries receiving donor money from the international community.

At the forum, Daniel Kaufmann, the World Bank Institute's Manager for Governance, Finance and Regulatory Reform, presented his paper: *New Empirical Frontiers in Fighting Corruption and Improving Governance*. He noted that there is growing empirical evidence of a significant and causal relationship between improved rule of law and a nation's income, literacy rate, and reduced infant mortality. He discussed the use-

fulness of surveys for identifying and prioritizing a country's responses; and cautioned against generalized policies, noting that anticorruption strategies should reflect specific priorities.

Kaufmann's research has uncovered that the most important role for donors in helping countries fight corruption is, surprisingly, conditionality, followed by raising awareness and educating, controlling corruption in donor projects, collaborating with nongovernmental organizations and external donors. Oversight committees and enforcement agencies were found least effective.

In addition to conditionality as a means by which donors can bring pressure to bear on the conduct of governance, most respondents also felt that broad coalitions of actors were best equipped to formulate national anticorruption programs. By opening channels through which civil

society and government stakeholders can demand greater accountability from each other, coalition-building can generate and sustain a citizen-government dynamic that will substantially buttress reforms.

Other speakers included Eddy Boutmans, Belgian State Secretary for Development Cooperation, President-in-office of the Council of EU Development Ministers, and Dieter Frisch, former European Commission Director General of Development, and currently Vice-Chairman of Transparency International (Belgium). The European Commission was represented by Jules Muis, Director-General, Directorate General Audit, and former Vice-president and Controller of the World Bank, and Bernard Petit, Director, DG Development.

**For more on these surveys and WBI's anticorruption activities, visit: <http://www.worldbank.org/wbi/governance/>**

# WBI in the News

## World Links extends reach in Africa

World Links is a nonprofit affiliate of the World Bank that connects schools in developing countries to the Internet. It also trains teachers and students in developing countries to use the Internet to improve teaching, and links their schools with partner schools in developed countries for collaborative Internet-based projects. Currently, World Links operates in 26 countries, 10 of them in Africa.

The World Links organization and the World Bank recently selected Gilat and Verestar to supply the satellite communications network for Internet access in 15 schools in Uganda.

“This is a turning point for these African communities, most of which do not have even the most basic telecommunications infrastructure,” said Bob Hawkins, manager of the program for World Links.

“This network will provide thousands of students access to all of the benefits of the Internet with high-speed delivery, distance learning, and other valuable applications.”

If the project is successful in Uganda, it may be expanded to other schools throughout the continent, specifically to Ghana, Senegal, and Tanzania.

Amiram Levinberg, Gilat’s president, stated that the new technology is “a solution that can be extended throughout the world to bring students in touch with the explosion of knowledge of which the Internet is a part.”

Visit World Links at [www.worldbank.org/worldlinks/english/index.html](http://www.worldbank.org/worldlinks/english/index.html)

## Voices of the Poor—Award-winning documentary

Hear Our Voices—The Poor on Poverty, a television documentary produced by the World Bank Institute as part of its Global Links documentary series, has won the prestigious Gold Remi Award at the 2001 WorldFest Houston International Film

Festival. The documentary was produced in close collaboration with a team from the Bank’s Poverty Reduction and Economic Management group led by Deepa Narayan, who served as content director for the project.

“This documentary explores the complexities of poverty from the perspectives of the poor,” says Narayan. “It gives voice to poor people from Brazil, Bosnia, India, Mali, and Uganda.” The documentary reveals that although the experiences of poor people vary widely by location and situation, significant commonalities exist in the way they describe their lives: having a sense of powerlessness and voicelessness; precariousness of livelihood and lack of security; isolation, humiliation, and lack of access to resources and opportunities; and gender inequality. “The result is a ‘domino effect’ of disadvantages and inequalities, all of which make it difficult for poor people to escape the hold of poverty” says Narayan.

The WorldFest award is one of a number of prestigious television industry awards that the documentary has recently received. Other awards include the 2001 Videographer Award of Excellence for News or Documentary, a Telly Award for outstanding video production, and the U.S. International Film and Video Festival Award for Creative Excellence.



“We are of course delighted by the recognition that the documentary has received,” says Kyung Yoon of WBI, the documentary’s executive producer and writer. “The subject matter is something that has not been tackled by many filmmakers, and we have been told that the film presents a fresh and important perspective when we are able to hear poor people themselves talking about causes and solutions to poverty.”

Hear Our Voices—the Poor on Poverty is the 17th installment in the Global Links series produced by the WBI and is licensed to more than 65 broadcasters in Africa, Asia, Latin America, and North America. Other documentaries in the series explore topics in education, the environment, governance, economic reforms and growth, governance, and knowledge for development.

For more information, visit: [www.worldbank.org/globallinks/](http://www.worldbank.org/globallinks/)

## GKP Secretariat moves from headquarters

Since its inception in 1997 the Global Knowledge Partnership (GKP), a network of public, private, and nonprofit organizations working together to help people create knowledge and harness information and communications technologies, has been supported by a secretariat based at WBI. As the secretariat moves to Malaysia, the GKP has issued its first annual report. To view the report, visit the GKP Website (<http://www.globalknowl->



edge.org). Click on the link “Visit the GKP Portal”. The annual report is highlighted on the portal’s main page.

Another report on this site summarizes the recent consultations with GKP members about the digital divide and using knowledge for development.

# Program Highlights



**Hong Tan, Labor Markets course co-director**

## **Labor Markets pilot supports South-South knowledge sharing**

The successful pilot course on Labor Market Policies represents a joint effort among the World Bank Institute and the Bank's Social Protection team (SP) and Development Economics Group (DEC). The course aims to provide participants with the tools to design labor policies and interventions appropriate for poverty reduction and economic growth.

An initial needs assessment highlighted four key areas of concern: unemployment, labor misallocation, low skills development, and inadequate social protection. These topics formed the basis for four broad modules that focused on the design, execution, and evaluation of active and passive labor market policies, labor retrenchment policies, skills development for competitiveness, and emerging labor market topics. According to WBI's Hong Tan, who co-directed the course with Gordon Betcherman, "Case studies of best practice also helped participants apply what they had learned. One of the most significant results of the pilot course was the exchange of country experiences and South-South knowledge."

Next steps will involve adapting the course material to distance learning formats and tailoring the content to regional policy needs. Future offerings will also build closer partnerships with the International Labour Organization, the

European Training Foundation, and the U.S. Department of Labor.

For more information contact:  
Htan@worldbank.org

## **Development Debates: Mapping the Way to Poverty Reduction**

The Development Debates are an eight-week series of meetings to stimulate regional dialogue about poverty reduction strategies and policies. Participation is broad-based and includes policymakers, academics, nongovernmental organizations, and others who contribute to shaping the poverty reduction agenda. The goal is to increase the capacity of key development actors to influence poverty reduction policies.

The discussions cover eight topics that broadly reflect the 2000/2001 World Development Report, but the structure and content for each region is chosen through consultations with regional partners. Building on these consultations, resource people and the core WBI team customize the agenda to respond to regional and national priorities. WBI's partners organize and host the national debate. They enlist speakers, commission papers, and select and invite participants. After the debates they handle press and legislature briefings, arrange follow-up activities, and publish the results of the discussions.

The program uses multiple media channels and multiple methods to ensure the messages reach the widest audiences with the most relevant information. National debate sessions are local face-to-face sessions, while regional debate sessions take the form of video conferences. In addition, weekly summaries of the discussion are posted on the Development Debates web site.

The debates have catalyzed a number of new activities. For example, Bolivia is using the debates as the basis for a book on new approaches to development and poverty reduction with special emphasis on risk

management. China's People's Daily has published a series of articles on the issues debated. In Mongolia, the findings are being disseminated through a Mongolian language web site. For WBI, the debates have served as a needs assessment exercise in designing courses and learning materials on Poverty Reduction Strategies.

For more information contact Jeni Klugman at [jklugman@worldbank.org](mailto:jklugman@worldbank.org) or Ishac Diwan at [idiwan@worldbank.org](mailto:idiwan@worldbank.org) or visit <http://www1.worldbank.org/wbiep/debates/>.

## **New Agendas for Poverty Reduction Strategies: Integrating Gender and Health**

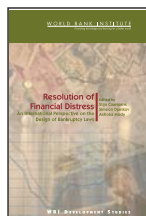
The course entitled New Agendas for Poverty Reduction Strategies: Integrating Gender and Health is offered in English and French through the Global Development Learning Network's Distance Learning Centers. The purpose of the course is to raise awareness of the links among gender inequality, health, and poverty and their key policy implications. The course is aimed at high level officials and policymakers working in national governments, local and international nongovernmental organizations, international agencies, academic institutions, and World Bank staff. It is also highly recommended for participants involved in developing Poverty Reduction Strategy Papers.

Topics include Gender, Poverty, and Economic Growth in Africa; Gender and HIV/AIDS; Gender-based Violence; Education and Health: Cross-sector Implications; Gender Dimensions of Water, Transport, and Energy; and Putting It All Together in a Poverty Reduction Strategy.

Contact: Jo Hindriks at [jhindriks@worldbank.org](mailto:jhindriks@worldbank.org) or visit <http://www.worldbank.org/wbi/repro-health/>

# Resources from the World Bank Institute

## New Publications



### **The Resolution of Financial Distress: An International Perspective on the Design of Bankruptcy Laws**

*Stijn Claessens, Simeon Djankov, and Asboka Mody, eds.*

In late 1997 and through most of 1998, the world experienced a financial crisis that threatened the integrity of the global financial system. There was also widespread recognition of the microeconomic nature of the problems. Emerging from the crises, therefore, required not only measures to improve global liquidity and win back consumer and investor confidence, but also a significant restructuring of the distressed corporate and financial sectors.

The book provides an analytical and practical approach to the design of bankruptcy systems. It discusses a range of topics including voluntary mechanisms for facilitating agreements between creditors and debtors, the role of international mergers and acquisitions, and the specific issues and concerns that arise in the course of restructuring financial institutions. This book will be of interest to policymakers involved with financial and corporate sector reform, as well as business school professors and students, law students, and practitioners of bankruptcy law.

2001. 420 pages. ISBN 0-8213-4906-6. Stock No. 14906. Price Code S40



### **The Development of Property Taxation in Economies in Transition**

*Jane H. Malme and Joan M. Youngman, eds.*

Property tax policies are often the result of long historic developments and are closely linked to complex systems of land ownership and property rights. Thus the changes that take place in the broader legal and economic approaches to property rights also offer a unique opportunity for the introduction or revision of property tax systems. However, periods of

rapid socioeconomic transition provide little opportunity for governments to undertake large-scale comparative investigations of alternative property taxation approaches.

The book presents case studies from several transition economies that provide insight into the policy debates and choices that guided the process of property tax introduction or reform. These case studies are not intended to identify any single path to the development of a successful system of property taxation, but rather to broaden the understanding of available alternatives and their relationship to specific political, legal, and economic settings.

2001. 108 pages. ISBN 0-8213-4983-X. Stock No. 14983. Price code: S22



### **Decentralizing Education in Transition Societies: Case Studies from Central and Eastern Europe**

Decentralizing Education is about the reform of education systems in Central and Eastern Europe with particular emphasis on decentralization and management. Although the region's highly centralized systems are beginning to adopt more deconcentrated approaches, most key policy and planning decisions are still made at the center. New education laws in most countries of the region have altered this balance, albeit not as thoroughly as some reformers would like. Because some of these societies are deeply into the process of socioeconomic transition, a moderate approach may well be the least disruptive short-term solution.

The book reflects six different national experiences, stages of development, models, and national attitudes examined during a 1997 research project to study intergovernmental roles in the delivery of education services. It should be of interest to generalists as well as specialists, including educators and other

readers interested in Central and Eastern European area studies.

2001. 120 pages. ISBN 0-8213-4876-0. Stock No. 14876. Price code S35



### **China and the Knowledge Economy: Seizing the 21st Century**

*Carl Dahlman and Jean-Eric Aubert*

At the turn of the 21st century, China faces daunting internal challenges compounded by the knowledge and information revolution. To address these challenges the Chinese government must exploit the knowledge revolution by creating appropriate institutions and providing incentives to promote and regulate a new socialist market economy based on knowledge.

China and the Knowledge Economy: Seizing the 21st Century presents policy recommendations for China as it moves from a command, industrial, and agriculture-based economy to a knowledge-based economy. This book, prepared in collaboration with the Chinese government and leading academics, argues that China's strategy will have to build solid foundations for a knowledge-based economy by updating the economic and institutional regime; upgrading education and learning, and building information infrastructure. China must also raise the technological level of the economy by: diffusing new technologies throughout the economy; improving research and development; and exploiting global knowledge. The book will be of interest to development economists, policy analysts, educators, and university students of regional studies and international affairs.

2001. 196 pages. ISBN 0-8213-5005-6. Stock No. 15005. Price Code S25

To order these and other World Bank Institute (WBI) publications:  
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