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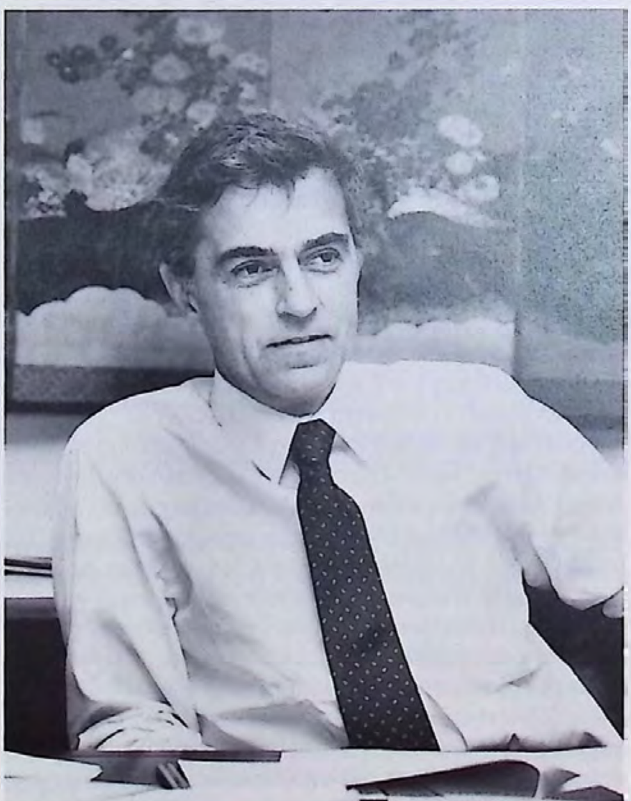
# The Fund in Transition...

## An Interview with Deputy Managing Director Richard Erb

*In June 1989 Richard Erb was reappointed for a second term as the Deputy Managing Director of the Fund. In this interview with* Staff News, *he reflects on his first five years in the office and discusses some of the major issues that lie ahead for the institution.*

**Five years ago you made the transition from being Executive Director to being Deputy Managing Director of the Fund. What was that like?**

The demands on this job are so different from those of being Executive Director that in some sense it made the transition easier. I had to go from serving one country to serving all of the membership and to see the issues, and



the problems, from a much broader perspective. That made the transition easier.

There's another aspect that's very important. In this institution, the Deputy Managing Director works very closely with the Managing Director; he does not have a separate role. His work is delegated work. A Deputy Managing Director has to have the confidence of the Managing Director and must be perceived by the staff as having that confidence, otherwise I don't think it works well. The Deputy Managing Director cannot have a separate agenda, if he is to help the Managing Director run the institution.

We work as closely on administrative and personnel issues as on, say, policy issues or country matters. I see my job, in part, as one of ensuring the Managing Director is not surprised by a decision or a development. He needs to be aware of, and involved in, issues, especially when there are choices between difficult alternatives. He's the one who ultimately has to make those choices.

Part of my job, but I think it's part of the job of everyone on the staff, is to make sure that when those decisions are made by the Managing Director, that he has the best possible information and analysis. It is vital that we maintain collaboration between departments so that we don't have one unit surprising another by pushing something forward that hasn't been properly vetted and discussed within the institution. And that applies in the administrative and personnel areas as well as in the policy and country areas.

**Did anything about the transition from Executive Director to Deputy Managing Director surprise you?**

One thing did surprise me. I thought there would be more internal, behind-the-scenes, questioning and review of the work that is done. But work pressures have been heavy and the demands made on the institution require a quick response. Normally a country is looking for advice immediately and we are geared to give that advice. This is why so much of the work of the institution is mission oriented.

It is important for an institution to have a cohesive set of views, yet at the same time there must be a continual evaluation of those views. It's something that I felt needed to be strengthened. Progress has been made, but more can be done. Each member of the staff should have time periodically to step back from their work and look at what he or she is doing and ask if, in fact, it is the right way of doing it. To do more, we need to look at our practices and resources.

I was also surprised by the intensity and problem-solving character of the work with officials from member governments. But this is the part of the job that I enjoy the most and that gives me the most personal satisfaction.

We have to be very open and frank in our discussions with member governments, and open and frank with our Executive Board when we present an analysis of a country, whether it be in the context of an Article IV or in the context of committing Fund resources. We have to be very explicit about the weaknesses of a country's policies as well as its strengths. Our professionalism is very strong; our integrity is very strong.

With experience I came to believe that we need to think more about how to communicate at the political level with governments, and how to communicate with the general outside world in a way that can be understood by nontechnicians, by those who are not professional central bankers or finance ministry people. We always say that it is important for policymakers to have the political commitment to implement policies, but we don't provide as much help as we could in explaining and developing greater public understanding of the kinds of policies needed to have good economic performance.

**What can we do to improve it?**

We have to get across a clearer message of the importance of prudent economic policies in the budget and monetary areas and the importance of allowing markets and prices to work. With all the attention focused on countries that must undertake major policy adjustments, there is a tendency to lose sight of the positive experience of those countries pursuing sound economic policies. It is not well understood in the outside world the extent to which that positive experience shapes the analysis and policy advice of the Fund.

**The Fund has been accused of being excessively secretive. Is it?**

I think it is. There are moments when it is important not to be explicit about the exchange rate objective, for example. In addition, national authorities must have confidence that discussions will be confidential. But we may be far too secretive about what we think is necessary for good economic policy. There is a dilemma. While confidentiality is essential, the public in member countries needs to know more about the reasons for policy changes. In the end, public support is crucial.

Too often we are seen as imposing a certain mechanical framework. In part that comes about from the way that conditionality is monitored with quantitative performance criteria; it diverts attention away from the more fundamental policy requirements and gives the impression that there is a single framework that fits every economy. At the same time there is some truth to that. The same quantitative framework is applied in different circumstances that may not justify that framework. I vividly recall one instance in which a mission came back and recommended a money-based target instead of a net-domestic assets target. To this day the internal debate and tension that that led to amazes me. I also recall the debates concerning whether operational and primary balances should be given any attention in the fiscal area and whether medium-term scenarios would be useful.

It's important to stress the critical role of budget and monetary and market-oriented policies, but it's equally important to evaluate the instruments and policy measures to fit each country's circumstances. We see this more explicitly in cases where, say, a centrally planned economy is moving to a more market-oriented economy. Our framework for monitoring a market-oriented economy is often not helpful when monitoring countries making that transition, yet we cling to the same quantitative performance criteria in every case.

**Is there something that needs to be done about the Fund's image—something perhaps less operational and more public relations?**

We do need to get a clearer message across about what the Fund does and what the Fund stands for, and do so in language that is relatively simple and straightforward and can be understood. That means getting away from the jargon of the Fund, getting away from words like adjustment, demand management, fiscal consolidation, and stabilization—words that even within the institution, but certainly even more so in the rest of the world, are interpreted in different ways.

For example, we use the term adjustment a great deal in our external statements, and we use it in very different ways. Sometimes we mean balance of payments adjustment; sometimes we use it to refer to making adjustments in economic policies; sometimes we refer to it in an episodic way that somehow there is a moment when a major adjustment must take place rather than seeing it as a continuous process. Those are related but different concepts of adjustment, yet we often use them interchangeably. We send a confusing picture when we talk about adjustment in the way that we do. I also believe that we need to get away from the legalistic character of many of the Fund's external documents.

**In your first five years here the institution was faced with a number of large and difficult issues, among them job grading and compensation. The issues are being referred to generally as the institution's mid-life crisis. What are your thoughts on the general state of the institution?**

In terms of structure and administration, the main challenge that faced, and still faces, the institution is how to make the transition from a relatively small institution to one that has become larger and in many ways more diverse. How do you make that transition and yet maintain the cohesiveness that existed within the smaller institution, when it was easier for people to know one another or for management to have a better view of everyone at all levels?

As the institution gets bigger, as it becomes more impersonal, people want a more explicit, more transparent statement of the policies and framework that guide decisions and affect their day-to-day work and lives: their promotion possibilities, their future career path, and so on. At the same time they want to avoid becoming bureaucratic in the sense of having a detailed set of rules and regulations. The challenge we face is to find a way of making the transition without drifting into a highly legalistic, bureaucratic approach to running the institution. But it's not easy, and I saw that in the job grading exercise, particularly at the final appeals stage.

There were two fundamental reasons that the job grading exercise was done. One was to deal with some of the internal relativity problems that had emerged and provide a more explicit framework for grading jobs. As a result of the job grading exercise we now have such a framework that makes much more explicit the criteria used for evaluating a job and for placing a job in a grade. But a large element of judgment will, and must, enter into those decisions. We need to avoid trying to fine tune it or lend to it a greater scientific air than it really has, and move on.

The second reason for the job grading exercise was to provide a broader basis for comparing Fund jobs—and ultimately salaries—with the outside markets. A job grading exercise had been called for by the first Kafka report. If such an exercise had not been done, we would not have been in a position to implement the results of Kafka II.

**Was the decision on the 12 job grading appeals that were denied the most difficult decision you were involved in?**

All of the decisions related to job grading were most difficult, because you are dealing with people, you are dealing with conflicting objectives. Every decision made was a choice between difficult alternatives. There was no way you could make those decisions without hurting some people. It's very difficult to make a judgment about one job and where it is located without affecting other jobs and the way that other people view their own jobs. The other difficult judgments for management and the institution to make, and they have to be made, are basic personnel decisions. We find good people, yet as people rise in the organization, and as happens in any organization that becomes narrower toward the top, you have to select the best from among the best and that's not always easy to do.

***Richard Erb** with Bank President Barber Conable at a Development Committee meeting earlier this year.*

The other area that I feel, looking to the future, very strongly about—one that has shaped the atmosphere of the last five years—is the joint compensation exercise. In the future we will need to collect information on a more regular basis so that the Administration Department and management have a firmer basis on which to evaluate our compensation practices broadly defined—not just our salary structure but our benefits and indeed the way we do things.

We want to attract the best from a broad set of countries. To do so, we need to know more about what the outside market is doing to attract good people. The Administration Department did a very good job in this last round, but one of the frustrations I felt during that whole exercise was that we, management, did not have a solid enough information base of our own to have a strong view about whether our salary structure was in line with our major competitive markets or whether our benefits packet was consistent with what is happening in the outside world. We need to have that to have credibility with the staff as well as with the Board. I see that as a major administrative task in the period ahead and we will continue to strengthen the compensation unit within Administration in order to obtain the in-depth information we need.

Other dilemmas in the personnel area involve balancing conflicting objectives. Members of the staff like a small organization. They don't want the Fund to grow big and bureaucratic. But they also want rapid promotion and broad career opportunities. And they want to know they are not going to be pushed out the door at some stage in their career. Those objectives are hard to balance.

**Technology seems more and more to be a component in how we do our jobs and an increasingly complex aspect of management decisions....**

Four or five years ago the power of personal computers was just not imagined. We thought of big mainframes and linkages to mainframes. Three or four years later we have a different set of issues. How do we maintain standards with a system where individuals have a high degree of power in the machinery in front of them and a high degree of independence in what they do with that machinery? How do we establish the ability of these machines to connect with each other and maintain the ability of the people operating these machines to communicate and collaborate within the institution?

There was a tendency in the early stages of computer development here to see the computer as a way of doing what everybody does, but doing it a little faster, maybe a little more efficiently. In reality the computer can change the way we work and communicate with each other. I see that as a major challenge, one that is mirrored by the organizational challenge of maintaining cohesion and collaboration among units as we get larger, as we have more subunits within the departments. We can't have isolated bureaucracies, because management and the Board will not get the right advice.

The critical decisions that have to be made at the management level, at the Board level, and in our national capitals require different perspectives coming together, and a breadth of analysis and judgment that we can not expect from any single unit within the Fund. Now to get that breadth of analysis and judgment, we have to have ways in which the communication takes place between our departments, and between units within departments. We have to do this without becoming too bureaucratic and thus eliminating the efficiency and responsiveness that we have as an institution.

**What would you identify as the institution's priorities as you look ahead?**

The institution faces the challenge of serving the growing number of countries that have been doing very well. They are growing in relative importance and it will be vital for this institution to adapt and recognize that as the institution moves on. This can take place through the quota exercise and through the way in which we define and work on issues. We are actively involved in Group of Seven efforts at collaboration and actively involved in helping the middle-income debtor countries and low-income countries. But we also have to assist and involve other industrial countries and those countries that are making the transition to becoming more advanced industrial countries—countries that are playing a larger role in the world economy and thus need to play a larger role in the institution. I see it happening, and it is a strength of the institution that it can adapt in that way.

If we become, as a staff and management, too big and cumbersome, it would be very difficult to work effectively with the Board and with our members. I believe the Fund will continue to grow, but we have to keep a balance there, and that means that all parties have to keep in mind that we can't be all things to all people. We have to keep our objectives and activities in balance and under control. As we take on new activities and as we respond to changing conditions and circumstances, we have to be a little more active in shedding activities that no longer deserve the primacy they may once have had.

To come back to what I was saying earlier, we still face the challenge of more clearly articulating in individual countries and to the general public the objectives pursued by the Fund and the broad kinds of policies judged necessary to achieve those objectives. At both the national and international levels a broader consensus needs to be developed. There has been a big improvement, but clearly with the criticism that the Fund still faces, and the misunderstanding about what the Fund stands for, we have some work ahead of us.

**You also mentioned earlier the need to promote greater internal discussion and self-evaluation....**

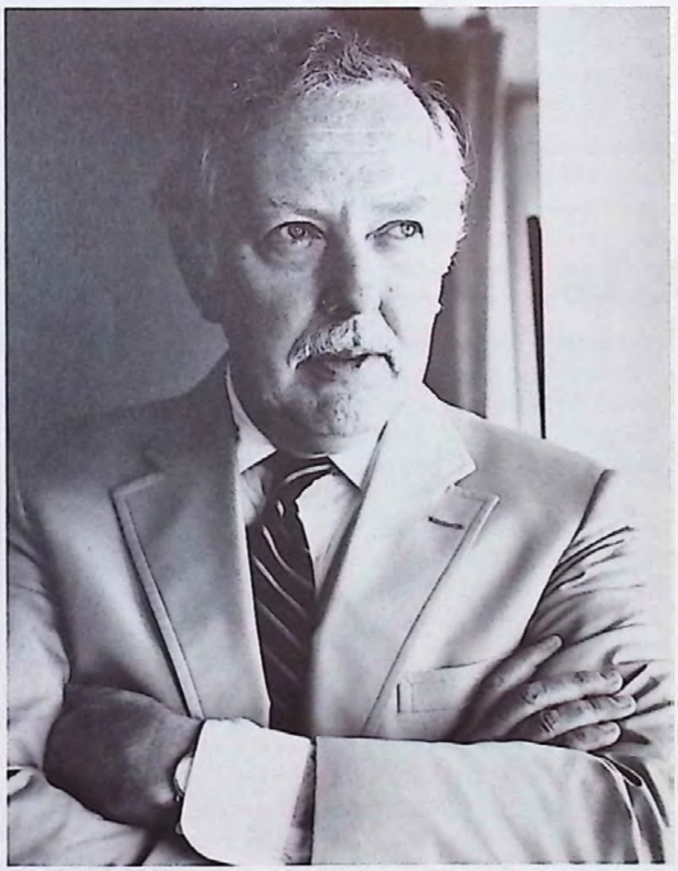
Because of the way we are structured, with relatively independent units that report to management, we need greater collaborative efforts across departments to address policy issues. During the past year, for example, a very effective group worked on debt-related issues. The debt group brought together different ideas and brought together people wrestling with those ideas. There has also been more cooperation in the area of data management, where people from different departments and with different perspectives worked on a common set of issues.

We need a more collaborative approach in the area of country policy analysis and advice. We still haven't done an adequate job of bringing people together from different departments to look at the way we work in individual countries and the methods of analysis applied and the policy instruments and changes proposed. And here I would include both the advice we offer under surveillance and that given when Fund resources are used—the analysis and advice should not be different for these two activities. We need a group of widely respected senior staff who will meet regularly and bring together different perspectives on country-related, analytical, and policy issues, so that we can evaluate what we do more effectively and be sure that what is done is based on the best that can be offered.

# New Ombudsman Assumes Role as "Conscience" of the Fund

The Ombudsman's office bears evidence of recent arrival. Eugene Herbert moved in quietly on August 1, but the room hasn't yet absorbed a new personality. The walls are bare save for a solitary black and white photograph of baseball hero Ted Williams. (The photograph will hearten those versed in baseball lore; fans of the perennially heartbreaking Boston Red Sox—Williams' team—are noted for their resoluteness.) There is obviously some unpacking and settling in yet to be done, but his desk is not empty. The first case arrived the same day he did, and more have followed. The new Ombudsman will be learning about the Fund on the job.

Gene Herbert comes to the Fund with a background of more than thirty years in international law. Educated at Princeton and Harvard Law School, he found himself drawn early on to an unconventional practice of his profession. After a three and a half year stint in the U.S. Navy, he eschewed practice in a private firm and accepted a Ford Foundation grant to teach law in Liberia. He returned to the United States to work in the State Department's Legal Advisers' Office before going overseas again to spend ten years in private practice in London. n he did return to Washington, it was to set up a private practice as a neutral labor arbitrator.



Herbert will be the Fund's third Ombudsman. Each has been appointed for one-year terms that have been extended in the two previous instances for five-year periods. Professor Frank Dugan was appointed the Fund's first Ombudsman in 1979. Robert O. Harris succeeded him in 1984. The terms of reference charge the Ombudsman with resolving individual grievances—a broad and flexible task that has given them scope to pursue that task as each saw fit. Robert Harris in his 1988 report termed the Ombudsman "the conscience of the institution"—one who must attempt to right perceived wrongs but one who must also occasionally tell staff that their complaints may not be, in his opinion, justified.

Gene Herbert sees his primary constituency as the staff and, as its representative, the Staff Association. "Not all problems come to me through the Staff Association," he notes, "but they are aware of most of the basic problems that staff members have and they know the policy problems that concern them. It is the coordination of information and effort that is critical in any attempt to resolve problems."

He has still to meet with many Administration personnel and with all the department heads—two prominent items on his agenda—but his early impressions are favorable. "I have noticed," he says, "an unusually high degree of goodwill and cooperation." One critical factor in his effectiveness, he believes, will be the backing of the Managing Director. "The definition of ombudsman that I like best is as personal representative of the king. By having access to the Managing Director, through the Deputy Managing Director, and by having his confidence and support, others become more cooperative in helping me find solutions for individual problems as well as for problems involving greater numbers of the staff. Mr. Erb has emphasized that he is always available to me to discuss problems that can't be resolved otherwise. He has assured me of immediate access to his office."

From the annual reports of his predecessors and from some initial conversations with staff members, Herbert feels it is obvious that the organization has been going through the painful transition from being "one big happy family to becoming a large institution." Growth and change have exacted a toll and he is aware of the tumult that accompanied the job grading exercise, although he is inclined to take the long view and believes that over time the transition will be beneficial for both the organization and its mission.

If pressed to compare his work as a neutral arbitrator with that of Ombudsman, he will admit that an Ombudsman lacks the authority to render final judgments but insists that he retains extraordinary latitude in seeking solutions to problems. No file is closed to him, no avenue of possible redress is shut. Each case is different; each solution potentially unique.

Herbert emphasizes that the Ombudsman's power is derivative. He represents the Managing Director and the Deputy Managing Director, but reminds staff that this should never be construed as a management bias. "Staff must know that to the extent that they have a problem with management or with Administration, the only hope for resolution is through having someone change their mind. If the grievance or problem has merit in my opinion, my job is to represent the staff member to the best of my ability. I am objective in my appraisal of problems and from there it is a matter of doing what I can to help staff members solve these problems."

In some cases the Ombudsman may function solely as a counselor; in others he may serve as a mediator. The staff member who seeks out the Ombudsman's advice and assistance controls what is done on his or her behalf. The Ombudsman consults no one else without the express permission of the grievant. The Ombudsman may ultimately counsel a staff member that his or her complaint seems to be without merit, but the staff member retains the right to file a case with the Grievance Committee nonetheless. Although the respective offices of the Ombudsman and the Grievance Committee Chairman are side by side on the eleventh floor, and the occupants good friends, the two offices function independently of each other and individual cases are never discussed between them. Ombudsmen have always gone to great lengths to maintain confidentiality; they are honor-bound to respect the wishes of the staff member who seeks their help. All files are secured in a safe.

Although the Ombudsman's position is not a full-time appointment, Gene Herbert expects to be serving virtually full time during these first weeks as he attempts to familiarize himself with the institution. He and Robert Harris spent a week together before Harris left, but they intentionally kept the transition informal. "Bob Harris showed me where the men's room was and showed me how to get into the cafeteria. He didn't show me how to get out, however," Herbert laughed, "and I got lost." Both agreed that the new Ombudsman should come in fresh and unbiased. "Bob was anxious to have me form my own opinions," he says, "and I concurred with that. He did hand current cases over to me and I do have access to all previous cases."

Each Ombudsman sets his own tone and adds his own personality. Gene Herbert is particularly anxious to emphasize the accessibility of his office. "It is important for staff members to know who the Ombudsman is and that he is approachable. They are welcome to come and see me at any time. Staff usually make appointments, but that isn't necessary. I am always available. If I am not in my office, leave a message. If it is an emergency, call me at home. I will get back to you as soon as possible." Pressed to characterize his approach or to encapsulate his philosophy on the position, Eugene Herbert demurs. "I simply see myself as a problem solver. And there is great satisfaction in this job when a solution is possible."

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### The Fund's *Annual Report*

# Telling It Like It Is

Article XII, Section 7, puts it succinctly: "The Fund shall publish an annual report containing an audited statement of its accounts. . ."

Easier said than done! Published just before the Annual Meetings, the *Annual Report* is the culmination of an eight-month effort by the staff and an exacting scrutiny by the Executive Board. Although it has appeared every year since September 1946, how the Report finds its way from pious aspiration into print may be something of a mystery to those not directly involved in its production.

The *Annual Report*, its complete title makes clear, is the report of the Executive Board to the Board of Governors on the activities of the Fund during the previous financial year; it reflects the views of the Executive Board rather than those of the staff. Consequently much of the humor that enlivens staff reports is absent from the *Annual Report*. From the start it has been a major publication of the Fund, and since 1972 it assumed a fairly stable format, comprising sections on the Board's view of how the world economy has been shaping up, developments in international liquidity, an account of the Fund's activities over the previous year, and, in one of the appendices, the audited statement of Fund accounts.

As time went on, however, various developments suggested a change in this format. For example, as the Interim and Development Committees became more influential on Fund policy, it seemed logical to record excerpts from their communiqués in the *Annual Report*. Then too, the Fund began in May 1980 to publish the *World Economic Outlook*, in which the staff assesses the world economy and attempts to project future developments, and this was soon followed by the regular publication of *International Capital Markets*. As these publications closely paralleled much of the material in the *Annual Report*, something had to go. The result was a Board decision in 1986 to restructure the *Annual Report*.

The restructured Report reduced its coverage of general world economic developments (which the interested reader could find exhaustively discussed in the WEO, now a bargain at $25.00 a copy) and focused on the activities of the Executive Board. After three years' experience with this format, the Board decided to go ahead with an even more radical streamlining in 1989. The Report was to be written in a style that would make it more accessible to the reader and, to the extent possible, further the Fund's public relations. The first chapter (on the world economy) was to be abbreviated, and the major section on the activities of the Fund expanded. To parallel the change in content, the Report was redesigned with more attractive colors and a striking graphic layout.


Formerly, the Report, drafted by the Research Department, the Treasurer's Department, and ETR, was edited by External Relations. Beginning with the 1989 Report, however, the principal responsibility for writing the Report has been transferred to EXR. This year, a team from the Editorial Division, under the direction of the Chief Editor, drafted much of the text. The Research Department contributed the sections on developments in the world economy, international liquidity, and the SDR; the Treasurer's Department produced the material on the financial operations of the Fund; and ETR chimed in with the section on cooperation with the World Bank. As usual, the Graphics Section assisted with the layout and artwork and arranged for the printing of the final version.

Publishing the 1989 *Annual Report* has been an arduous and lengthy process, spiced with tension as the many deadlines came and went. As in the past, the process began in February with the preparation of outlines, followed by the writing, during April, of the basic text, which was then circulated to all departments for comments. The amended text, fortified by these comments, was next sent for preliminary comments to the Executive Board (which transforms itself into a Committee of the Whole for the purpose of agonizing over the Report). More comments, of course, and more rewriting.

Next, in the heat of June and July (when many of our colleagues, blissfully unaware of the high drama being enacted at headquarters, frolicked in the surf at Rehoboth Beach) came two readings by the Committee of the Whole in full session, chaired by the Deputy Managing Director: the first, a page-by-page, sometimes line-by-line, scrutiny of the text, and the second, a follow-up meeting to make sure that the final text was beyond reproach. This year the Board discussion of the Report lasted 14 hours. Two and a half hours were devoted to the first page of the text during the first reading, but a rumor that weekend plans would have to be cancelled caused the pace to accelerate somewhat.

After the Board discussions began the nitty-gritty job of guiding the text through galley proofs and pages and making sure that the marriage of the text to the artwork was a happy and decorous union. The process culminated in September with press conferences in Washington and New York at which the mysteries of the Report were revealed to the media. Meanwhile, the Chief Information Officer was explaining the Report to the press in the major European capitals.

Did all go smoothly this year? Deadlines were certainly met, and the very patient and exacting commitment of the production editor succeeded in eliminating the glitches inevitable in a newly designed book. There was some difference of opinion between the staff, who, following their mandate from the Board, were eager to excise Fundese and to tell the story of the past year in robust, everyday English, and some members of the Committee, who were under instruction from their authorities not to stray too far from the beaten path and who felt more comfortable with the precise wording of communiqués and Board summings-up. As a report of the Executive Board, rather than of the staff, there was no question about how these views would be reconciled.

The result is for you to judge. The Chief Editor, noting that the proof of the pudding is in the eating thereof, hopes that you will at least nibble at the Report and find it digestible.

*David D. Driscoll*

# A Two-Wheeled Northwest Passage: Biking Across the Rockies and Beyond

It was, Arthur Irausquin admits, equal parts biking enthusiasm and parental concern that led him to sign up for four and a half weeks and 1,300 miles. His 15- and 16-year old sons, Peter and Roelof, were embarking on a nine-week, 3,020 mile bike trip across the western region of the United States, and Boy Scout Troop 240 from Bethesda, which was sponsoring the event, was looking for adults to assist with the supervision of various segments of that journey. Arthur Irausquin, an Economist with the Bureau of Statistics, volunteered.

He had been an avid bicyclist for most of his life, but one admittedly more used to casual jaunts. He rides to the White Flint Metro each morning from his home in Rockville, but before this trip his long distance biking had consisted of two-day, 200-kilometer (round-trip) visits to his grandmother's home in the Netherlands back in the 1950s and an occasional 20-mile day trip in this area. But undaunted and equipped with a recently purchased 18-speed bicycle and some training advice from Ruth Ann Carey, Director of the Fitness Center, on how to improve endurance, Arthur set his sights on the long trek. His modest training regime concentrated on increasing stamina, and for this he even purchased a NordicTrack cross country ski exerciser. On July 7, he flew to Denver and allowed himself three days (at Rocky Mountain National Park and Estes Park) to adjust to the altitude before he joined his sons and the Boy Scout group in Pueblo, Colorado.


***At Pueblo,** just before taking on the Rockies, Arthur Irausquin stands with his 18-speed bike, a Raleigh Technium 450.*

By the time he met the group, they had already been on the road for over three weeks and had logged about a thousand miles. They had begun their trip in Farmington, Missouri, pedalled through part of the Ozarks, and then dashed through Kansas for a taste of the vast flat stretches of the U.S. heartland. Now they were ready, and anxious, to tackle something more imposing—the Rockies. Arthur purposefully chose this segment of the trip. He had seen the Rockies only from a distance, and the plains of Kansas held no particular fascination for him.

With steep ascents and high altitudes, the daily mileage decreased from a trip average of 75 miles a day in the plains to 40 miles or less. The first four days of Arthur's biking were to feature some of the most demanding biking of the entire trip. As the group of ten teenage boys and two adult supervisors (supported by a van, which carried their camping gear) approached the continental divide, they climbed first from 4,500 to 6,000 feet, then from 6,000 to 8,700 feet, next from 8,700 to 10,000 feet (where the cool nights left frost on their tents), and finally reached Hoosier Pass, whose 11,542-foot elevation marked the divide. They would pass the divide several more times, but never again at so high an altitude.

The first days were difficult for Arthur. There were initial equipment problems (a number of broken spokes) and the grueling demands of daily long climbs. Doing even occasional 50-mile biking trips, he says, would not have prepared one for the accumulated fatigue of a series of such rides. One-day rest stops after five or six days of riding in the mountains, and a two-day stop in Yellowstone Park, would help the bikers renew their strength—the teenagers predictably recovering far more quickly than the adults. The daily riding quickly did improve his stamina and endurance, however, although he always welcomed his bed at the end of the day. While the boys camped with the troop leader, Arthur usually elected to enjoy the simple comfort of a nearby motel, occasionally sleeping in a YMCA facility or at the campsite. One night at a motel in Yellowstone he had company. His older son had pitched his tent in a low-lying area and had been drenched by a midnight downpour that sent him searching for drier shelter.

Food was always basic, but plentiful. With a company of teenagers, and a tight budget, meals tended to consist of an endless variety of ground meat and macaroni dishes, with an occasional taco. Arthur remembers fondly the culinary skills of one boy who was able to

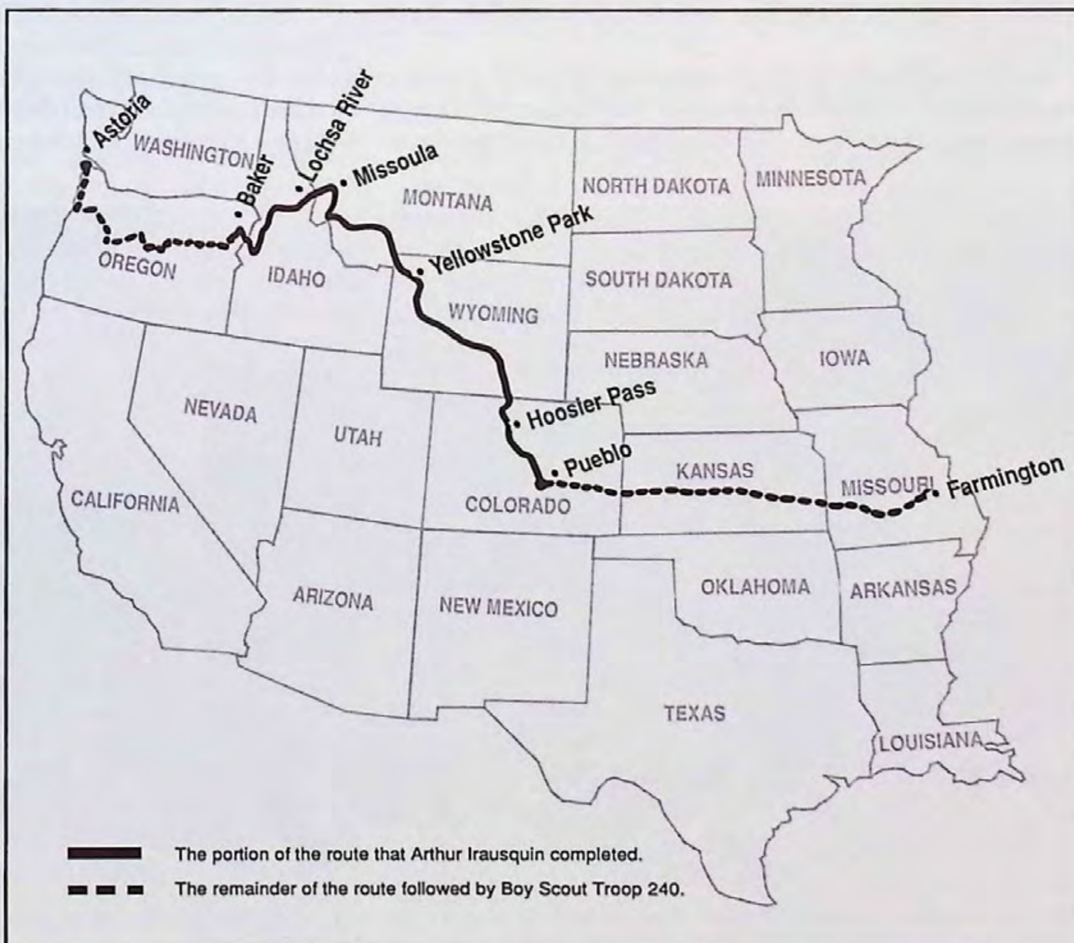
***Arthur's younger son, Peter,*** *pauses for a moment above the canyon at Yellowstone National Park. The park, and the Pacific Ocean, which they saw at Astoria, Oregon, were the boys' favorite spots.*

concoct a seafood dish. It was not the quality but the quantity of food that he recalls with such pleasure. "I ate like a wolf," he says. The mountain air and the exercise made two breakfasts mandatory and ensured that all helpings were large. He returned from the trip six pounds heavier.

Once over the continental divide, the group cycled north by northwest for a spell, cutting though arid stretches of Wyoming to Montana before heading more determinedly southwest through Idaho and Oregon. They followed the Bikecentennial TransAmerica Bicycle Trail, which is not so much a trail as a series of lightly traveled backroads that were interspersed with an occasional highway whose shoulders were wide enough to accommodate bicyclists.

The trail snakes through the mountains in search of inclines no greater than 7 percent, and thus bikeable. It was created during the U.S. bicentennial celebration and follows, for part of its route, the path followed by explorers Lewis and Clark. The Boy Scout group followed the trail by using detailed maps created by the Bikecentennial Bicycle Travel Association, whose headquarters are located on the trail at Missoula, Montana.

The Boy Scout group did over 3,050 miles in 63 days—covering the western half of the country and yet amassing more miles than the roughly 2,500 nautical miles it takes to span the country. The route took them through a variety of terrains. Arthur had a definite preference for lush green vistas, which offered a sharp contrast to the dry landscapes of his home in Curaçao. One of the high points of the trip for many of the bikers was a two-day rest stop in Yellowstone National Park. Last year's devastating fires seemed to have thinned the usual mob of summer tourists, but Arthur was intrigued to find that the fires had not blackened a single vast



stretch of land, as he had imagined, but seemed to have damaged distinct pockets of the park. The impact on the area's scenic beauty was not, in any case, as fearsome as he had expected.

The great bike ride ended in Astoria, Oregon—at the Pacific Ocean. Arthur Irausquin left the group two weeks before that in Baker, in eastern Oregon. And he left with mixed feelings. "On one hand I had had enough and yet on the other I wanted to go on. When I came back to the office," he laughs, "I wished I had stayed with them."

But he came back with very fond memories of the trip. The Lochsa River Valley, just past Missoula, and the Grand Tetons were his favorite spots—"If I had been in the Lochsa Lodge by myself, I would have stayed longer," he sighs. "The river valley, and the neighboring hot springs, were so idyllic." Their schedule permitted very little free time, and that was his only real complaint. They diligently kept to a predesigned schedule. About every two weeks they had to be at a certain point at a certain time so that parents who were assisting the troop leader on different legs of the trip could shuttle in and out. Meeting that schedule sometimes entailed some furious biking—on two occasions demanding 100-mile days. Notwithstanding this tight schedule the boys remained in good spirits throughout. And Arthur says that he couldn't have done the trip with a nicer group of teenaged boys.

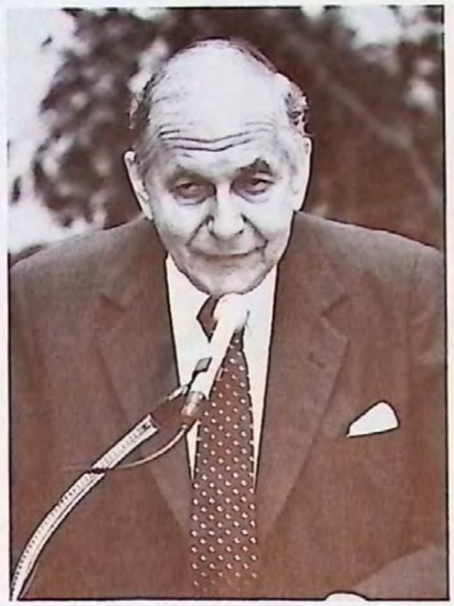
Before he started he had been concerned about the teenage riders, particularly about the danger of taking steep descents too fast. As it happened, some of the boys did reach speeds of 50 miles an hour but there were no problems (the only accident occurred in Florence, Oregon, when one of the boys slipped on the slick and uneven metal surface of a bridge and broke his arm). Arthur wryly recounts that although he had in part signed up to keep a watchful eye on his sons, in practice they could rarely be seen. Once on the road the group spread out over several miles. He had several "very nice rides" with his older son but frequently his sons were at the head of the pack, while his own pace normally kept him in the middle or toward the rear of the group. He and the other adults were, however, on hand to remind the teenagers about safe biking procedures—constantly coaxing them, for instance, to revert quickly to single file whenever traffic approached. (As the trip progressed, the boys tended to bunch up more and more.)

Arthur left his sons in Baker. They were delighted, he says, to be off their bikes for a day and able to swim and play basketball. They even found a football game to attend. He headed back to Washington with a quite different impression of the United States. "What we saw," he says, "was so different from the East Coast—many places we visited had only 6 to 12 inhabitants. Some had 600 or 800. Missoula became a big city for us—it had nearly 16,000 people. And the people there were very friendly and very helpful."

The trip heightened his interest in bicycle touring. He's joined the Potomac Pedalers Touring Club and is looking forward to several of their day and weekend trips. He still prefers a simple approach to the sport. Not for him the trendy new biking paraphernalia, although he did enjoy using a bike computer, which showed his normal speed or pedal rotations per minute (nice in the mountains, he discovered, for changing gears as soon as necessary, and thus conserving energy), calculated his average speed, and recorded maximum speed as well as mileage and riding time.

And yes, he still peddles to the White Flint Metro each workday morning, but the hill on Tilden Lane doesn't seem quite as steep, or as strenuous, anymore.


***At the highest point*** *in their trip, Arthur Irausquin (far left) and Boy Scout Troop 240 of Bethesda savor their accomplishment and enjoy their rest at Hoosier Pass.*


***Those who gathered in the Atrium*** *on Thursday, September 7, for a memorial service for Jan Mládek heard a distinguished list of speakers from many walks of life pay tribute to an exceptional life. Among those who spoke were Zbigniew Brzezinski (left), former U.S. National Security Adviser; Alexandre Kafka (center), dean of the Fund's Executive Board, and Moeen Qureshi (right), Senior Vice President for Operations at the World Bank.*

# Distinguished Gathering Recalls Remarkable Life of Jan Mládek

"It's the fate of all of us," Zbigniew Brzezinski observed to those gathered in the atrium, "to know only a small part of one another. Very rarely—through love, and through closeness—do we ever come to know a person fully. Thus we are here today—those of us who have the privilege of speaking—to share with one another only that portion of Jan Mládek that each of us somehow knew. Together we'll all know him better thereby; we'll know him more; and we'll miss him even more."

On the evening of September 7 nearly two hundred people—family, friends, and colleagues—joined with Jan Mládek's widow, Méda, and a distinguished list of speakers in honoring a man who had been a major figure in the Fund's history but who had also left his mark, as the range of speakers attested, on the art world and on Eastern European culture.

Jan Mládek had participated in the Bretton Woods deliberations and had been one of the governors at the Savannah meeting, which inaugurated the Fund in the Spring of 1946. He served on the Fund's first Executive Board, representing his native Czechoslovakia as well as Poland and Yugoslavia. "The choice of Jan Mládek," J. J. Polak noted in his remarks, "as chairman of the Fund's crucial committee on spreads and multiple currency practices was one manifestation of the high respect in which he was held by all members of the Board."

For many of those now at the Fund and the Bank, however, it was Jan Mládek's later accomplishments—as a member of the Fund's staff—that were most vividly recalled. Alexandre Kafka, dean of the Fund's Executive Board, and Moeen Qureshi, now a Senior Vice President of the World Bank, cited Mládek's exceptional contributions to the creation of the Central Banking Department and what Moeen Qureshi termed his role as "architect of the Fund's operations in Africa"—principally, but hardly exclusively, in providing critical technical assistance to the newly independent Congo, now Zaïre. Managing Director Michel Camdessus pointed out that the Fund "is clearly the major beneficiary of Mr. Mládek's lifetime contributions....Here in the Fund, Mr. Mládek served for 12 years strengthening central banking institutions in the developing world—indeed, in most cases building them from scratch." He also noted Jan Mládek's service with the African Department and as Director or Deputy Director of several departments, including a long tenure as head of the Fund's Office in Europe.

Although each speaker brought a particular perspective—some lauding his contributions to the Fund, others noting his significance as an art collector, and still others the wise counsel and extraordinary breadth of knowledge he regularly extended on matters relating to Eastern Europe—all agreed that Jan Mládek was a man of great culture and intellect.

*Méda Mládek, wife of Jan Mládek, listened intently as the speakers recounted the many facets of her husband's life.*

Alexandre Kafka termed him "one of the most impressive persons I have met," adding that "along with a brilliant mind and an unusually broad sweep of interests, he had exceptionally sound judgment." Emmanuel de Margerie, France's Ambassador to the United States, stressed his dedication to truth and culture, while Executive Director Jacques de Groote noted his "intellectual richness."

Zbigniew Brzezinski, former U.S. National Security Adviser, praised the practicality that leavened his intellect. Jan Mládek was, he said, "a keen observer of things; a key participant in things."

Economists, journalists, academicians, and art critics all praised elements of an exceptional life, while a fellow native of Eastern Europe, Professor Emeritus Ladislav Matejka of the University of Michigan, observed that all his life Jan Mládek "searched for a way to define his own participation in the fullness of life. He was always aware of the danger of narrow self-contained specialization, which does not see itself as a part of the whole."

When ended, the memorial service, as Zbigniew Brzezinski had predicted, left everyone with a fuller understanding of the many dimensions of the man and with a keener appreciation of a remarkably rich life. "In the world," Moeen Qureshi observed, "there are not more than a few such people at any time, and for that reason they are infinitely precious. The light that Jan Mládek radiated has now been extinguished, but I feel so privileged that during one shining period, my own life was illumined by my association with Jan Mládek."


***At the Inaugural Meeting of the Boards of Governors*** *at Savannah in 1946, Jan Mládek (third from left), then Chief of Czechoslovakia's Monetary Division, Ministry of Finance, listens as Fred Vinson, U.S. Secretary of the Treasury, addresses the meeting. Seated to the right of Jan Mládek is Lord Keynes; seated to his left is Warren Kelchner, who served as Chief of the U.S. State Department's Division of International Conferences.*

# Art Society Exhibit to Feature Art from Staff Members' Collections

The Committee of the IMF Art Society is organizing an exhibit that will feature paintings drawn from the private collections of staff members. The exhibit will take place in December 1989–January 1990. Submissions in various media, both antique and contemporary, will be solicited. Selections will be made by an outside (non-Fund staff) jury.

Submissions from members of the Art Society will be given preference, but a special membership offer will be opened for staff who would like to join the Art Society now by prepaying their 1990 membership dues. Instructions for making submissions and for responding to the special membership offer will be circulated to all staff shortly. Gene Spiro, Peter Clark, and Lawrence DeMilner will be organizing the show and can answer questions after the instructions are circulated.

*Lawrence DeMilner*

## STAFF NOTES

*June 1 –July 31, 1989*

**TWENTY-FIVE YEAR STAFF**

Victor Callender

**TWENTY YEAR STAFF**

Eduard Brau
Beverley Downie
Jerome P. Moyer
Joaquin Pujol
Slawka I. Pylyshenko

**RESIGNATIONS**

Kenji Aramaki
Karnit Flug
Amelie Henry
V. K. Malhotra
George W. Morgan
Tokio Morita
W. A. Sellassie
Diana M. Watson
Pamela A. Westcott

**RETIREES**

Ricardo V. Diaz
A. Gilo Muirragui

**EXPIRATION OF APPOINTMENT**

Joseph K. M. Kinyua

**DEATH OF RETIREE**

Harry J. Carter
August 5, 1989
Jan V. Mládek
August 7, 1989

**BIRTHS**

To **Nobiru Adachi** (OED) and his wife, Hiroko, a son, Haruki, on July 8, 1989.

To **Natalie M. Hairfield** (ASD) and her husband, David, a son, Christopher Allen, on June 6, 1989.

**TRANSFERS**

**Isabel P. Almeida** to Administration Department from Bureau of Language Services

**Teresita R. Calderon** to Support Group, Secretarial Staff, from Office of Executive Director

**Warren L. Coats Jr.** to Treasurers' Department from External Assignment (IBRD)

**Enzo Croce** to African Department from External Assignment (IBRD)

**Hans M. Flickenschild** to Exchange and Trade Relations Department from Western Hemisphere Department

**David Folkerts-Landau** to Central Banking Department from Research Department

# STAFF NOTES

*June 1–July 31, 1989*

**Peter S. Heller** to African Department from Fiscal Affairs Department

**Robert V. Kennedy** to External Assignment (Tonga) from Bureau of Statistics

**Linda M. Koenig** to Asian from Central Banking Department

**Peter J. Quirk** to Western Hemisphere from ETR

**Jun Saito** to Asian Department from European Department

**Douglas A. Scott** to Central Banking Department from Asian Department

**Eugene A. Spiro** to Exchange and Trade Relations Department from European Department

# NEW STAFF

*June 1–July 31, 1989*

**Djaffar Abdelouahab**
Algerian, is an Economist, AFR. Educated at Algiers University, he was formerly Deputy Director, Central Bank of Algeria. His interests include classical music, soccer, and martial arts.

**Mary Benjamin Abraham**
Indian, is a Secretary with ETR. Previously a Secretary with the Embassy of Kenya, she holds a B.A. Her interests include reading and cooking.

**Christer Bjorklund**
Swedish, is an Assistant, OED. Previously he was head of section, International Secretariat of the Sveriges Riksbank. Among his interests are antiques and collecting curios.

**Yoon Je Cho**
Korean, is an Economist, ETR. Formerly an Economist at the World Bank, where he worked on the 1989 *World Development Report*, he holds a Ph.D. from Stanford and is interested in financial systems and policy.

**Joao Coelho**
Brazilian, is a Translator, BLS. Previously with the Brazilian Foreign Service, he holds an M.S. in linguistics from Georgetown and enjoys classical music, the arts, reading, and good cuisine.

**Christine M. Curatolo**
a U.S. national, is a Secretarial Assistant, OED. Educated at the Sawyer School of Business, Rochester, she previously worked for the U.S. Treasury in Washington, Bonn, and Paris.

**Christina M. Dehler**
Canadian, is an Accounts Clerk, TRE. Previously a Tax Secretary with a CPA firm, she holds a B.A. in linguistics and French. Her interests include tennis, curling, cooking, reading, and travel.

**Roberto I. Donadi**
Argentine, is a Translator with BLS's Spanish Division. He holds a degree in translation and simultaneous interpretation and previously managed a translation company in Mexico City.

# NEW STAFF

**Steven Greisdorf**
a U. S. national, is a Budget Assistant, ADM. Educated at Duke University, he was previously an Administrative Assistant with BCS. He enjoys racquet sports, sailing, and reading.

**S. Gurumurthi**
Indian, is an Assistant, OED. Formerly a Deputy Secretary, Indian Ministry of Finance, he holds a Ph.D. in economics. His interests include philately and portrait painting.

**Kenta Ichikawa**
Japanese, is an Assistant, OED. Educated at Cornell, he was previously an Officer with Japan's Budget Bureau, Ministry of Finance. His interests include debt management.

**Yuichi Ikeda**
Japanese, is an Economist, FAD. Educated at the LSE and the University of Tokyo, he had been a Deputy Director, Japanese Ministry of Finance. His interests include history, soccer, and classical music.

**Jacqueline R. Kuster**
U.K. national, is a Secretarial Assistant, OED. Previously a Secretarial Assistant with the the British Embassy in Hong Kong, she enjoys tennis volleyball, skiing, traveling, reading, and interior design.

**Oded Liviatan**
Israeli, is an Economist, FAD. He holds a Ph.D. from Hebrew University, and was previously Senior Economist, Bank of Israel, and Adjacent Senior Lecturer, Tel Aviv University. He enjoys tennis.

**Maud M. Ljung-Lapychak**
Swedish, is a Secretarial Assistant, OED. Previously a Secretary with the Swedish Consulate General, Chicago, and Uddeholm Aceros Especiales, Madrid, she includes among her interests traveling.

**Thierry Lopinot**
French, is a Translator with BLS. Educated at the Institut d'Etudes Politiques de Paris, he had previously served as a translation consultant with both the OECD and the World Bank.

**Peter G. Mulroney**
a U.S. national, is a Service Officer, ADM. Previously an Architect and Project Manager with an international firm, his interests include classic cars and photography.

**Thierry A. Pujol**
French, is an Economist with EUR. Prior to joining the Fund staff he worked with the French Ministry of Finance. His interests include sports and films.

**Arjuna Indi Rajasingham**
an Australian/U.K. national, is an Economist, TRE. Educated at UC Berkeley, Stanford, and IIT, he had been a consultant with McKinsey & Co. He enjoys tennis, jogging, and classical music.

**Parmeshwar Ramlogan**
Trinidadian, is an Economist, WHD. Formerly a Country Economist with the Caribbean Development Bank, he holds a Ph.D. from Boston University and enjoys reading and traveling.

# NEW STAFF

**Lady Rodriguez**
Salvadoran, is a Secretary, BUR. She previously worked on a contractual basis for the Fiscal Review Division of FAD. Her interests include reading, camping, and traveling.

**Franek J. Rozwadowski**
Swazi, is an Economist with ETR. Educated at Brandeis and Columbia, he was Assistant Professor of Economics at Wesleyan University before joining the Fund's staff.

**Adriana I. Russo**
Argentine, is a Translator with BLS. A graduate of law school and the University of Buenos Aires' translation school, she was previously a translator with the Central Bank of Argentina

**Tapio O. Saavalainen**
Finnish, is an Economist, EUR. Formerly Administrator, OECD's Economics and Statistics Department and educated at Helsinki School of Economics, he enjoys sailing, skiing, and golf.

**Hala Y. Soufi**
Syrian, is with the Administrative and Admissions Unit, INS. Previously Executive Secretary, The British Council, Damascus, she holds a degree in French literature and enjoys music and sports.

**Salama Tekle-Haymanot**
Ethiopian, is a Personnel Clerk with ADM. She served previously as an Administrative Assistant with AEGIS, Inc., before joining the Fund staff.

**Laura Wallace**
a U.S. national, is Assistant Editor, *F&D* (EXR). Educated at UC Berkeley and Northwestern, she had worked for Chase Manhattan Bank, the *Wall Street Journal*, London, and A.P.-Dow Jones, Geneva.

**Fang Yang**
Chinese, is a Secretarial Assistant, OED. She studied English at Beijing University and previously worked at the People's Bank of China. Her interests include music, swimming, and reading.

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