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May 26, 1987

SECRETARY'S CIRCULAR NO. 87/55

To: Members of the Executive Board
From: The Secretary
Subject: Report on World Bank-IMF Symposium on Growth-Oriented
Adjustment Programs

Attached for the information of the Executive Directors is a report on the World Bank-IMF Symposium on growth-oriented adjustment programs, which was held in the Fund on February 25-27, 1987.

Mr. Goldstein (ext. 7678) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Report on World Bank-IMF Symposium
on Growth-Oriented Adjustment Programs
February 25-27, 1987

Prepared by the Research Department

Approved by Jacob A. Frenkel

May 20, 1987

The Fund and the World Bank jointly sponsored a Symposium on Growth-Oriented Adjustment Programs at the Fund on February 25, 26 and 27. The objective at this joint Symposium was to engage some of the best thinking and first-hand experience from the academic, official, and private sectors in an exchange of views with the Executive Directors and senior staffs of both institutions.

The Symposium opened with remarks by the President of the World Bank and by the Managing Director of the Fund. Copies of the Managing Director's remarks were made available to the Executive Board and the remarks reached a wider audience through their publication in the March 9th issue of the IMF Survey.

Comoderators of the Symposium were Professor Richard Cooper of Harvard University and Mr. J.J. Polak, Financial Consultant

A program and a list of participants were circulated to the Executive Board prior to the Symposium (Attachment I). Eleven papers were therefore presented at the Symposium. With the exception of the Country Studies session, two papers were presented at each session. There were two discussants for each paper, including outside participants and Executive Directors and staff from the World Bank and the Fund. The presentation of the papers and the commentaries of the discussants were followed by an initial intervention and remarks by other Symposium participants.

A round table discussion took place on the final morning of the Symposium, the principal contributors at which were the six session chairmen and the comoderators. Each session chairman drew attention to issues raised in his particular session, as well as presenting his views on the proceedings of the Symposium as a whole. The floor was opened up for the expression of views and opinions of other participants, after which the two comoderators endeavored to summarize the proceedings and identify both areas of agreement and unresolved issues.

Over 800 copies of each paper were printed for the Symposium. Distributions were made to outside participants and to the Executive Directors and senior staff of both the World Bank and the Fund prior to the Symposium. Papers were also made available at the door prior to the start of each session. Demand was and has been such that all copies have now been distributed. However, the papers and proceedings of the Symposium will be published in due course. The editors will be Messrs. Corbo, Goldstein, and Khan with the assistance of Mr. Driscoll of the Fund's External Relations Department.

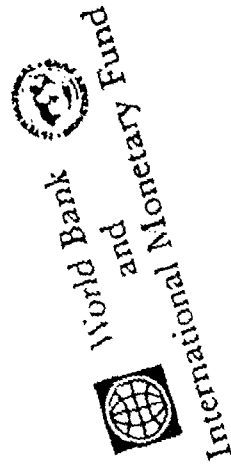
A discussion of the chief lessons of the Symposium will be incorporated into a paper entitled "Design of Fund Programs and Growth-Oriented Adjustment," currently being prepared by the staff and scheduled for Executive Board discussion prior to the Annual Meetings. In addition, the papers presented at the Symposium, and the discussion of them, will serve as useful input to the staff's longer-term program of studies on the conceptual and empirical underpinnings of growth-oriented adjustment programs.

A large number of observers attended the Symposium, principally from the Offices of Executive Directors and the staffs of both institutions. Several outside participants requested the admission of aides or colleagues. In addition, a small number of outside observers were admitted at the request of Executive Directors.

An Official Symposium Dinner hosted by Messrs. Camdessus and Conable was held on February 26th to which the outside participants and Executive Directors (or their Alternates) and senior staff from both sponsoring institutions were invited. The guest speaker at the dinner was H.E. Kim Mahn-Je, Deputy Prime Minister and Minister of Planning, Korea who delivered a speech on the experience of Korea with growth-oriented adjustment programs.

The actual cost of the Symposium to be shared equally between the Fund and the Bank remained within that budgeted in EBAP/86/187, Revision 1 (11/5/86). It should be noted that the cost excludes that of publishing the proceedings of the Symposium which will fall into FY 1988.

Attachment (1)



SYMPOSIUM ON GROWTH- ORIENTED ADJUSTMENT PROGRAMS

ATTACHMENT 1

Wednesday, February 25

Opening statements by the Managing Director and the President of the World Bank.

9:30 a.m. Session 1: Bank-Fund Papers

Chairman: Mr. E. Stern

Senior Vice President Operational Staff

World Bank

10:00 a.m. Session 1: Bank-Fund Papers

Chairman: Mr. C. Michalopoulos

Director Economic Policy, Analysis and Research

Economics and Research Staff, World Bank

World Bank Programs for Adjustment and Growth

Mr. C. Michalopoulos, Deputy Director Economic Policy, Analysis and Research

Economics and Research Staff, World Bank

11:00 a.m. Session 1: (continuation) Adjustment and Fundamental Growth—Their Complementarity

Chairman: Mr. M. Guitian, Deputy Director Exchange and Trade Relations Department, International Monetary Fund

Mr. Y.C. Park, President Monetary Fund

Mr. J. Williamson, Senior Korea Development, Senior Fellow, Institute for International Economics

Mr. M. Bruno, Governor Central Bank of Israel

Mr. G. Heller, Professor of Economics, University of Toronto

Initial Intervention: Mr. M. Massé, Executive Director, International Monetary Fund

12:30 p.m. Lunch break

1:00 p.m. Session 2: Country Studies

Chairman: Mr. R. Erb, Deputy Managing Director, International Monetary Fund

2:00 p.m. Session 2: Country Studies

Chairman: Mr. R. Erb, Deputy Managing Director, International Monetary Fund

Some Reflections on the Experience and with a Program of Stabilization and Growth: The Argentine Austral 1/1

Minister J. Sourrouille 1/1 Ministry of Economic Affairs Republic of Argentina

Economic Stabilization and Structural Adjustment: The Case of Turkey

Mr. R. Satacoglu Deputy Governor Central Bank of Turkey

Mr. W. Cline, Senior Fellow Central Bank of Turkey

Mr. W. Cline, Senior Fellow Central Bank of Turkey

Discussions: Institute for International Economics

Mr. R. Dean, Executive Director, World Bank

Mr. A. Abdallah, Executive Director, International Monetary Fund

Mr. J. Donges, Vice President Monetary Fund

Mr. J. Donges, Vice President Monetary Fund

Mr. J. Donges, Vice President Monetary Fund

Mr. J. Donges, Vice President Monetary Fund

4:00 p.m. Session 3: Macroeconomic Growth

Chairman: Mr. L. Jayawardena

Director, World Institute of Development Economics Research

4:15 p.m. Session 3: Macroeconomic Growth

Chairman: Mr. S. Fischer, Professor of Economics, Massachusetts Institute of Technology

Economic Growth and Economic Policy

Mr. S. Fischer, Professor of Economics, Massachusetts Institute of Technology

Initial Intervention: Mr. H. Ploix, Executive Director, International Monetary Fund

Intervention: Mr. H. Ploix, Executive Director, International Monetary Fund

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Director, World Institute of Development Economics Research

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4:00 p.m. Session 3: Macroeconomic Growth

Chairman: Mr. L. Jayawardena

Director, World Institute of Development Economics Research

Washington, D.C.
25-27 February 1987

Minister J. Sourrouille eventually was unable to come to Washington to present his paper.

The Adjustment Process in Latin America 1981-86

Mr. A. Bianchi, Director
Economic Development
Division, Economic
Commission for Latin America
and the Caribbean

Discussants:
Mr. J. Frenkel, Economic
Counsellor and Director
Research Department
International Monetary Fund
International Vice President
Mr. S. Husain, Vice President
Operations Policy Staff
World Bank

Mr. D. Knox, Vice President
Latin America and the
Caribbean Regional Office
World Bank

Mr. A. Sengupta, Executive
Director, International
Monetary Fund

Initial
Intervention: Mr. S. Zechin, Executive
Director, International
Monetary Fund

6:15 p.m. Close

Thursday, February 26

Session 4: Outward Versus Inward Policies

Chairman: Mr. J. de Groot, Executive
Director, World Bank
International Trade Issues

Outward Orientation: Trade Issues
Mr. J. Bhagwati, Development
Research Department, World
Bank (on leave from Columbia
University)

Exchange Rate Policies for Stabilization and Growth

Mr. J. Sachs, Professor of
Economics, Harvard
University

Discussants:
Mr. D. Finch, Counsellor and
Director, Exchange and Trade
Relations Department, Fund
International Monetary, Vice
President, East Asia and
Pacific Regional Office
Mr. A. Karasmanoglou, Vice
President, Regional Office
World Bank

Mr. C. Dallara, Executive
Director, International
Monetary Fund

Mr. M. Draghi, Executive
Director, World Bank

Initial
Intervention: Mr. P. Midan, Executive
Director, World Bank

Session 5: Structural Policies

Chairman: Minister M. Touré, Ministry
of Finance and Economy
Senegal

Discussants:
Mr. D. G. Johnson
Professor of Economics
University of Chicago
Mr. Miguel Urrutia, Manager
Economic and Department
Development
Inter-American Development
Bank

Mr. E. Schuh, Director
Department of Agriculture
and Rural Development
World Bank

12:30 p.m. Lunch break

Session 5: (continuation)

Growth-Oriented Adjustment Programs: Fiscal Policy Issues

Mr. R. Chelliah, Member
India Planning Commission
Ministry of Finance, Nigeria

Discussants:
Mr. V. Tandi, Director
Fiscal Affairs Department
International Monetary Fund

Initial
Intervention: Mr. G. Bachmer, Executive
Director, World Bank

Session 6: External Financing

Chairman: Mr. T. Luske, Executive
Director, World Monetary Fund
International Private Capital

The Role of External and Growth-Oriented

Official Financing and Structural Adjustment

Mr. R. Carey, Deputy
Director, Development
Cooperation Directorate
Organization and
Cooperation
Development

Discussants:
Mr. G. Ortiz, Executive
Director, International
Monetary Fund
Mr. J. Wood, Vice President and
Financial Policy, Planning and
Budgeting, World Bank

Mr. A. Quattara, Director
African Department
International Monetary Fund
Mr. N. Xu, Executive
Director, World Bank

Initial
Intervention: Mr. F. H. Al-Sultan, Executive
Director, World Bank
8:00 p.m. Official Dinner (by invitation)

Friday, February 27

9:30 a.m. Round Table Discussion

Co-Moderators: Mr. R. Cooper
Professor of Economics
Harvard University
Mr. J. Polak
Financial Consultant
Panel Members: Mr. E. Stern
Mr. R. Erb
Mr. L. Jayawardena
Minister M. Touré
Mr. T. Lankester
Mr. J. de Groote

12:30 p.m. Close

Other Participants

P. Arlman, Executive Director, World Bank
P. Aspe, Under Secretary, Secretariat of Programming
and Budget, Mexico
M. Benachou, Executive Director, World Bank
A. Camarasa, Executive Director, World Bank
Q. Dai, Executive Director, International Monetary
Fund
A. Donoso, Executive Director, International Monetary
Fund
A. El-Kuwaiz, Assistant Secretary General for Economic
Affairs, Cooperation Council for the Arab States of
the Gulf

J. Fekete, First Deputy President, National Bank of
Hungary
M. Finish, Executive Director, International Monetary
Fund
G. Giesecke, Executive Director, International Monetary
Fund
B. Hamdouch, National Institute of Statistics and
Applied Economics, Morocco
U. Haxthausen, Executive Director, World Bank
J. E. Ismael, Executive Director, International Monetary
Fund
M. Jembere, Executive Director, World Bank
A. Kafka, Executive Director, International Monetary
Fund
Y. Kashiwagi, Chairman, Bank of Tokyo
R. Keating, Executive Director, World Bank
H. Lundström, Executive Director, International
Monetary Fund
S. Mawakani, Executive Director, International
Monetary Fund
A. Milongo, Executive Director, World Bank
Y. A. Nimatallah, Executive Director, International
Monetary Fund
G. A. Posthumus, Executive Director, International
Monetary Fund
N. F. Potter, Executive Director, World Bank
M. Ramli Wajib, Executive Director, World Bank
C. R. Krishnaswamy Rao Sahib, Executive Director,
World Bank
M. Rouge, Financial Counsellor, Ministry of Economy,
Finance and Privatization, France
M. Rubin, Executive Director, World Bank
C. R. Rye, Executive Director, International Monetary
Fund
G. Salekhhon, Executive Director, International
Monetary Fund
J. E. Suraisy, Executive Director, World Bank
C. Thanachanan, Deputy Governor, Bank of Thailand
K. Yamaguchi, Executive Director, World Bank
K. Yamazaki, Executive Director, International
Monetary Fund