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EBAP/86/187

Revision 1

November 5, 1986

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

In light of the guidance from the Executive Board at its meeting on August 6, 1986, the attached memorandum contains a revised proposal for a Symposium on Growth-Oriented Adjustment Programs to be organized jointly with the World Bank. It is now proposed that the conference should take place on February 25, 26, and 27, 1987. An identical proposal is being made to the Bank Executive Directors.

In the absence of a request for discussion by an Executive Director by the close of business on Friday, November 7, 1986, the revised proposal will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Mr. Finch (ext. 7847) or Mr. Goldstein (ext. 7678) is available to answer any inquiries with respect to the proposal.

Att: (1)

Other Distribution:
Department Heads



Symposium on Growth-Oriented Adjustment Programs
Prepared by Fund and Bank Staff

November 5, 1986

1. Proposal

Intensified collaboration between the World Bank and the Fund in helping developing countries to design growth-oriented adjustment programs and to mobilize the financing needed to carry them out is an important element in the reinforced debt strategy. Accordingly, it is proposed to hold a joint Bank-Fund symposium on growth-oriented adjustment programs.

The proposed symposium would be structured to increase understanding of at least several important issues, including: (i) the combination of macroeconomic and structural policies that offers the best approach to achieving "adjustment with growth"; (ii) the broad lessons for growth and adjustment that can be drawn from alternative policy strategies followed by different developing countries in the past; and (iii) the role of, and prospects for, equity financing, commercial bank lending, and official capital flows in growth-oriented adjustment programs.

This would be the first time that the two institutions have held a joint symposium. As such, it would represent a further step in the evolving process of collaboration between the Bank and the Fund.

2. Timing

Taking into account the schedules of authors and other factors, such as the dates of important international meetings and the time needed for preparation of the papers, suitable dates for the symposium would appear to be Wednesday, February 25, Thursday, February 26, and (the morning of) Friday, February 27, 1987.

3. Format

The symposium would begin with opening statements by the President of the Bank and by the Managing Director of the Fund on the theme of growth-oriented adjustment.

Over the first two days, the symposium would cover six sessions. Two papers would be presented at each session. Two designated discussants would be assigned to each paper and the sessions would be organized to permit enough time for general discussion of each paper.

The staffs of the Bank and Fund would prepare overview papers that delineated each institution's role in growth-oriented adjustment programs, including analysis of the linkages between macroeconomic and

structural adjustment strategies. There would be two case studies of adjustment prepared by policymakers in the particular countries. The remaining papers would be written by individuals from outside the Bank and the Fund so as to provide the benefit of outside thinking on the subjects at hand. Executive Directors from both institutions and senior staff would serve as discussants of some of the outside papers, and would chair some of the sessions.

On the final half-day there would be a round table session involving the six session chairmen and the moderator of the symposium (Professor Richard Cooper of Harvard University). They would sum-up the proceedings of the symposium and identify major areas of agreement and contention.

4. Participation

Participation would be on a tripartite basis, comprising outside participants from the academic, official, and private sectors; Executive Directors from both institutions; and Bank-Fund staff. The first two days' proceedings would not be open to the financial press, but a selected group from the press may be invited to attend the final round table session.

A provisional list of outside participants is attached (Attachment 1). With the exception of authors of papers, outside participants have not yet been approached regarding their availability.

5. Program

A provisional program with topics and authors is attached (Attachment 2).

6. Venue

Cost considerations suggest that the symposium be held in Washington, D.C. (Attachment 3). It is also proposed to have the first two days of the meetings in the Meeting Hall of the Fund's headquarters, and the final half-day session in the Bank's Auditorium.

If the first two days' proceedings were held in the Fund's Meeting Hall, there would be room for about 45 participants at the table and about 225-250 observers. The round table discussion on the last day could be open to an audience of approximately 300.

7. Publication of Papers

It is intended that the proceedings of the symposium be published by the Bank and the Fund.

8. Report to the Executive Board

There will be a report to the Board following the symposium.

9. Proposed Decision

The following draft decision is proposed for adoption by the Executive Board:

The Executive Board approves the proposal contained in EBAP/86/187, Revision 1.

Attachments

Provisional List of Outside Participants

1. A. Al-Kuwaiz Saudi Arabia Gulf Cooperation Council
2. P. Arida Brazil Central Bank of Brazil
3. P. Aspe Mexico Ministry of Programming and Budgeting
4. J. Bhagwati India Columbia University
5. M. Bruno Israel Central Bank of Israel
6. R. Chelliah India Indian Planning Commission
7. W. Cline USA *Institute of International Economics*
(IIE)
8. R. Cooper USA Harvard University
9. J. Donges Germany Kiel Institute of World Economics
10. J. Fekete Hungary Central Bank of Hungary
11. S. Fischer USA Massachusetts Institute of Technology
12. M. Haq Pakistan Minister of Planning
13. G. Helleiner Canada University of Toronto
14. B. Handouch Morocco National Institute for Statistics and
Applied Economics (INSEA)
15. L. Jayawardena Sri Lanka World Institute for Development
Economics Research (WIDER)
16. D. Gale Johnson USA University of Chicago
17. Y. Kashiwagi Japan Bank of Tokyo
18. T. Killick UK Overseas Development Institute (ODI)
19. W.A. Lewis UK Princeton University
20. C. Massad Chile Economic Commission for Latin America
(ECLAC)
21. C. Okongwu Nigeria Minister of Finance
22. Y. Ozel Turkey State Planning Organization

23.	Y.C. Park	Korea	Korea Development Institute
24.	J. Reed	USA	Citicorp
25.	Y. Roland-Billecart	France	Development Assistance Office (CCCE)
26.	J. Sachs	USA	Harvard University
27.	J. V. Sourrouille	Argentina	Minister of Economy
28.	M. Singh	India	Indian Planning Commission
29.	C. Thanachanan	Thailand	Central Bank of Thailand
30.	M. Toure	Senegal	Minister of Finance and Economy

Provisional Topics and Authors for Bank-Fund Symposium
on Growth-Oriented Adjustment Programs

Wednesday, February 25

Opening Statement by the President of the Bank and the Managing Director of the Fund.

Session 1: Bank-Fund papers

- Authors: 1. Costas Michalopoulos (Bank paper)
2. Manuel Guitian (Fund paper)

Session 2: Country Studies

- Authors: 1. Juan V. Sourrouille (Argentina study)
2. -- * (Turkey study)

Session 3: Macroeconomic Policies for Economic Growth

- Authors: 1. Stanley Fischer
2. Carlos Massad

Thursday, February 26

Session 4: Outward versus Inward Policies
(exchange rate and trade regimes)

- Authors: 1. Jeffrey Sachs
2. Jagdish Bhagwati

Session 5: Structural Policies (agriculture and taxes)

- Authors: 1. D. Gale Johnson
2. Raja Chelliah

Session 6: External Financing (commercial banks and ODA)

- Authors: 1. John Reed **
2. Y. Roland-Billecart **

Friday, February 27 (morning)

Round Table:

Moderator: Richard Cooper

* Author to be determined.

** Not yet confirmed.

Estimated Cost *

1. Honoraria, 10 papers plus moderator	\$22,000
2. Travel and subsistence of symposium participants (approximately 25, exclusive of Bank-Fund participants)	45,000
3. Miscellaneous costs	<u>8,000</u>
TOTAL	\$75,000

* Cost to be shared equally between Bank and Fund.

