



Barry Fitzgerald

During the last year, the government of Greece needed funds to help finance a major forestry development project that would benefit 50,000 people. Greece borrowed \$25 million from the World Bank.

When the government of Morocco needed money to establish technical schools that would create more than 14,000 new jobs, it received a loan of \$113 million from the World Bank.

Egypt was awarded \$75 million toward the development of its oil fields in the Gulf of Suez; \$100 million went to Korea to aid industrial development; India received \$250 million toward the construction of a fertilizer plant; Brazil borrowed \$109 million to help supply electricity to 415,000 new customers; and a \$90 million loan was approved for Kenya for new highways.

Picked at random, these are just a few of the many projects in which the World Bank participated in the last fiscal year. The World Bank, officially known as the International Bank for Reconstruction and Development, is the most significant financial force on the planet, its transactions totaling billions of dollars and its activities touching virtually every corner of the globe.

Very much a part of these activities is Eugene H. Rotberg, a graduate of Temple's College of Liberal Arts. Rotberg is vice president and treasurer of the World Bank, headquartered in Washington, D.C. Also a graduate of the University of Pennsylvania's Law School (1954), Rotberg joined the World Bank as treasurer in 1968 after serving 14 years with the U.S. Securities and Exchange Commission where he was a member of the Special Study of the Securities Markets, then chief counsel for the office of policy research and finally associate director of the Division of Trading and Markets. He was named a vice president of the World Bank in 1977.

The Bank, founded in 1946 as an international investment institution which would help to provide funds for the reconstruction of war-torn European countries, is a private corporation

whose current stockholders are the governments of 131 nations. The largest stockholder is the United States with 22 per cent.

It is an over-simplification, but basically the Bank borrows money from the rich and gives it to the poor — borrowing money and earning income from its investments, and redistributing the funds to its member nations, primarily for high-priority projects in the developing countries.

In fiscal 1979, the Bank and its affiliates, the International Development Association and the International Finance Corporation, made 295 loans totaling \$10.4 billion for projects in 78 different countries. The funds, of which 27 per cent went to countries with annual per capita incomes of \$580 or less, covered an estimated 34 per cent of the costs of these projects.

During the same period, the Bank borrowed nearly \$5.1 billion, its principal sources being private markets and governments in Germany, United States, Switzerland, the OPEC nations and Japan. The Bank, whose president is Robert McNamara, is the largest single borrower in the world.

Rotberg's responsibilities fall largely in three areas. "One," he says, "is to identify where the wealth exists in the world, then initiate transactions and negotiate borrowings. Everybody knows where the money exists. So you just go get it; it's that simple."

Rotberg, who travels abroad four or five times a year, also manages the Bank's liquid resources, which means it is his job to keep the cash invested all over the world in places that return the highest income. The Bank's \$10 billion investment portfolio, which is in 20 different currencies and which in 1979 yielded a net income of \$407 million, falls under his supervision.

His third function is to "recommend what financial policies are adopted to assure that the Bank is a viable institution."

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It sounds complex, and it is. But Rotberg, who utilizes the expertise of 1000 economists and financial experts located in Bank offices throughout the world, minimizes the fact that he has received worldwide acclaim for his financial acumen.

"My job is very uncomplicated," he says. "Basically, the wealth is controlled in this world by a relatively few people. It doesn't take any great genius to figure out where the savings are and what countries have surplus.

"Most people," he adds, "can learn the techniques of most jobs as long as they have a strong commitment and like the end product."

The Silver Springs, Maryland resident who grew up in Northeast Philadelphia and was a member of the debating team at Temple, uses himself as an example. "It gets down to a rather simple value," he says. "You choose to do those things that make you feel better about yourself. I think the Bank has a considerable social significance. And I find myself very attracted to the Bank's role on a day to day basis. I like what I do, it's fun, and I like the people I work with.

"Politically," Rotberg says, "I've always been interested in trying to make a difference in this particular area. I can look back and see that the political views I have held are quite compatible with the job I have."

Because the Bank, which is the largest single supplier of assets in the world, lends chiefly to poor countries, it operates with a humanitarian sense, unlike that of many large multi-national institutions.

"There are a lot of poor people in the world," Rotberg says. "Our job is to make them better off. We wouldn't be here if we couldn't make a difference in the lives of people who need external assistance.

"The Bank," he adds, "can be justified totally on humanitarian and moral reasons. "It is, however, a profit-making institution. This is not a giveaway agency. We don't issue blank checks. We don't lend to countries which are bad risks (no country has ever defaulted on a Bank loan). But we do have a major impact on countries' internal existences. We simply do the best job we can, making loans and helping countries without regard for their politics."