

Immerse yourself in learning and experiencing new things

——An interview with Dr. Zhou Yongmei, former Director of the World Bank

In November 2023, Professor Zhou Yongmei of the Institute of South-South Cooperation and Development of Peking University accepted an exclusive interview with us. After graduation, Prof. Zhou worked for the World Bank, where she researched and practiced institutional development and accumulated first-hand experience. During 1999-2012, she served as a policy and institutional development advisor for government leaders in African and South Asian countries. During 2012-2014, she served as Director of the World Bank's Fragility, Conflict and Violence Group to implement reforms within the Bank to make it more effective in the aid to fragile states. She then served as a co-director of the "World Development Report 2017: Governance and the Law", the World Bank annual flagship publication. From 2017 to 2020, she was based in Jakarta, Indonesia and led the largest country program in the World Bank on Economics, Finance and Institutions, making impact on fiscal policy, public financial management, local governance, financial inclusion, and digital development.

Prof. Zhou shared the story of her professional growth and provided valuable advice for Chinese youth who were interested in pursuing a career in international development. The following is a record of the interview with Prof. Zhou.

I. Education and the career choice

1. Why did you choose International Finance at Renmin University of China as your undergraduate major and continue your PhD in Economics at University of California, Berkeley?

In 1988, when I had the opportunity to be admitted to the Renmin University of China, I chose a hot major at the time, international finance. Compared to today, however, the resources were very limited. There was only one course in western economics with 300 students in a class. We did not have rigorous theory and modelling courses, and even econometrics was an elective course. Luckily, all majors with "International" in the name received 12 hours of English instruction per week by American teachers. This was a small window through which we got in touch with the world at that time.

Everyone wanted to go abroad after obtaining their bachelor's degree to continue their studies and see the outside world. I was interested in economics because it was a very empirical way to explain human behaviour. Most students with good academic performance studied in an American university which ranked top 20-30 for the first year, and then obtained letters of recommendation from their American professors for a top university. I spent a year at the University of Illinois Urbana-Champaign and then reapplied to University of California, Berkeley.

2. Why did you choose to join the World Bank? What makes the World Bank special?

The appeal of the World Bank was related to my research interest in corruption during my PhD. By the secretive nature of corruption, it was difficult to do empirical research. Daniel Kaufmann's group at the World Bank measured the actual experiences of individuals from three perspectives: businesses, officials, and households. I was enthusiastic to join his group at the World Bank. I was also interested in understanding the institutional mechanisms underlying the problem of corruption. At that time, I had academic degrees but lacked experience. I was keen to immerse in a developing country to get a deeper understanding of how institutions work.

The most special thing about the World Bank is its diverse culture. Colleagues have different ways of thinking, dressing, language, and living habits. In the World Bank, I grew not only as a professional but also as a leader of diverse teams.

The political and cultural environment of our partners is also unfamiliar to us, and we need to keep learning and understanding and build trust with local people. The World Bank is a place where you can always learn, grow, and expand your horizon. If you are bored, you can always move to another country to start a new learning journey.

In addition, there is a strong sense of meaning when working in the World Bank. We have conducted many staff surveys. Even when staff is disillusioned by the bureaucracy or the constant reorganization, staff survey still show more than 90% of staff a very high sense of meaning for work.

3. Your doctoral thesis was on corruption. After joining the World Bank, you have also been engaged in fighting against corruption in many developing countries. Where does your concern and interest in corruption come from?

Corruption was rarely mentioned in international development agencies at the time. People used "governance" as the euphemism. But my PhD research convinced me corruption was a widespread problem in developing countries and poor people and small businesses disproportionately suffered its consequences. When I worked as an intern in the World Bank in 1997, President James Wolfensohn explicitly talked about corruption for the first time in an official speech. By saying "corruption is cancer", he acknowledged corruption as a major hindrance to development. After that, research and operational work in the World Bank could openly discuss the corruption problem and how to reduce it.

4. How did your university education help you in your career?

My experience at UCB really shaped me. On the one hand, a doctoral education honed my ability to think critically and rigorously. In my own work at the World Bank, if I have a choice between two candidates, a PhD with no practical experience and another with a master's degree and 3 years of relevant work experience, I prefer candidates with a PhD and a rigorous way of thinking.

Berkeley campus is very international and tolerant of all kinds of people. Berkeley has witnessed a series of movements including the anti-war movement, the Hippie movement, and the LGBTQ movement. When I was doing my PhD, four economics professors were openly gay, and a female professor and her wife had adopted a Russian disabled child.

Berkeley had a profound impact on me, and I was able to adapt quickly to the diverse culture in my work at the World Bank.

II. The World Bank: Embracing Diversity and Challenges

5. You have been working on institutional development in developing countries for a long time. What is the importance and particularity of your field?

When I was in school, institutional economics was pretty marginal in the study of development. One of my main advisors, Prof. Olive Williamson, was one of the few who had studied institutions for decades. He is really good at identifying key explanatory variables for institutional choice, for example, market or firm.

Over the last two decades, New Institutional Economics has blossomed and become mainstream. And some important questions remain open. For example, people debate about the sequence between economic development and institutional development; which comes first? I agree with the view that both happen simultaneously and feed back to each other.

Then there is an even tougher question: why do some countries with poor institutions still manage to develop rapidly? Recognizing that corruption is part of the logic for social order, how do we prioritize anti-corruption work to generate faster and inclusive growth so we have resources to tackle other forms of corruption? Mushtaq Khan of the School of Oriental and African Studies at the University of London has a research program on this very interesting topic. This may make people feel uncomfortable, as if we are acquiescing corruption. But in a resource constrained environment, sequencing is the key of public policy.

6. Why did you choose to work in Africa, South Asia, etc.?

My first year at the World Bank was spent staring at computers, using data collected by others to analyse the extent of corruption, but I still did not understand the mechanisms behind it. When I applied for my second YP rotation, I decided to look for a field assignment, and the Ghana office had a position for me. In college, I loved reading Taiwanese author Sanmao's essays about her exotic life in west Africa. She opened a window to the outside world for my generation when China was closed to the rest of the world. Because of Sanmao, I dreamed of going to West Africa and dreamed of meeting a Jose with a big beard! My assignment in Ghana started my Africa journey for eight years. I spent a lot of time on Ghana, Sierra Leone, Nigeria and also worked on Uganda and Malawi. The most rewarding work was in post-war Sierra Leone.

My work in Africa was noticed by a manager who later recruited me to the South Asia Department to take charge of the flagship project in Bangladesh and fiscal decentralization and local government capacity building in India. I also worked on Afghanistan and trying to help government build a fiscal transfer system between Kabul and provincial governments.

One of my best friends was an Indian colleague in the Africa Department, so I was very curious about India. Indian society looks chaotic, but it is very vibrant. Living there for four years really opened my eyes on how a billion people with such diversity and poverty could live (more or less) peacefully as a democracy.

7. How did you adapt to different cultural environments/life in different countries and balance family and work?

I took my two-year-old daughter to Ghana, Africa and found that it was not that difficult. Although Ghana was quite poor, I worked in the capital city of Accra and hired a live-in nanny to help me take care of my child and do housework. My parents wrote me a long letter, saying that if I wanted to follow Sanmao to Africa, I could go alone and let them raise my daughter in Beijing. While I was raised by my grandparents, I insisted to raise my daughter on my own.

There are two types of people in the World Bank. One type likes immersion experience and takes multiple residential assignments to countries around the world. The other type never sought assignment abroad. Some worry about disrupting spouse career or not providing high quality education for children; others worry about danger and poor living conditions; and some also worry about losing connections with important people in the headquarter office.

I belong to the first type. I think that immersion enables one to learn more in-depth about a country and the project setting and establish trust and cooperative relationships with local people. Personal growth is rapid. My year in Ghana jumped started my engagement in Africa.

In fact, it is easy to integrate into a completely unfamiliar country. Embedded in an organization and with concrete tasks, you can quickly establish relationship with a wide network of people as long as you are willing to make friends and explore new things.

When it comes to balancing family and work, my husband and I both worked at the World Bank and both travelled a lot. We coordinated our business trips to ensure that at least one of us stayed with our child. Moving to India actually allowed our small family to spend more time together, because business trips in India were all short trips and we could see our families on weekends. The same with Indonesia, where we lived and worked during 2017-2020. The World Bank is quite considerate of couples' need to stay together. In the case of India and Indonesia, one of us got an assignment first and the other followed, remotely working on the headquarter position until a suitable position opened up in the field office. Because India and Indonesia were the largest programs of the World Bank, each office with two to three hundred professionals, it was not difficult to find two rewarding positions for both of us. Some people think our child suffered through frequent moves around the world. In our observation, this experience probably was our best gift for her. She grew into an independent and adaptive woman and developed lasting friendship with peers wherever she lived.

8. What so you think is your most fulfilling project while working at the World Bank?

My four years in Sierra Leone were a highlight of my career. I went there in 2003, when the 11-year civil war had just ended. Although the living condition in Sierra Leone was very basic and all indicators ranked near the bottom in the world, my job satisfaction was very high. My partners in Government of Sierra Leone were very eager to rebuild their country, open to ideas and collaborative.

In post-war reconstruction, a very important aspect is building institutions. One driver of the 11-year civil war was the extreme concentration of power and corruption. In 1973, Sierra Leone banned opposition parties and local governments, with all power concentrated in the All People's Congress (APC) and the capital city, which led to rampant corruption and widespread resentment of people in the regions.

When we started developing the Institutional Reform and Capacity Building Project, the President was in his 70s and recounted with nostalgia the golden age of the 1960s, when local governments had power and even gave him a scholarship. Across the country, there was a strong political consensus to (re-)establish a local government system and give local governments power and resources to deliver services to local citizens.

At the time, many African countries were moving towards a more decentralized system, but in some countries actual implementation was slow. After all, it is difficult to take away power from ministries in the capital city and give it to local governments. As time went by, powerless local governments lost legitimacy and popular support. People were reluctant to pay local taxes. We decided that our project must focus on starting a virtuous cycle, where local governments would be empowered to provide public services to the people, and people develop trust of capable local governments and started paying taxes, which allow local governments to do more things.

We took an innovative approach to jump start the project. At the very beginning, which was just after the local government elections of 2004, we provided funds to challenge each new local government to complete a Rapid Result Initiative within 100 days, namely something that their people value and can see tangible results in 100 days. Each local government must publicly announce the result goal to the public before embarking on the initiative. We taught all nineteen local governments a participatory project management approach called the Rapid Results Approach. They must engage stakeholders in project design and implementation and adopt a rigorous project implementation discipline to track progress and quickly address bottlenecks throughout the project cycle. Everybody, including myself, was pleasantly surprised by the achievements by the local governments. When interviews of local stakeholders were aired on TV, the President called the Minister of Local Government and Community Development to congratulate him.

Local government success gave them more confidence to contest with the central government on the speed and scope of decentralization. At that time, the central ministries of education and agriculture did not want to decentralize power. In a national decentralization forum, senior officials in the two ministries expressed doubt that the newly established local governments would be able to manage primary schools or agricultural extension workers. The Mayor from Bo District stood up and told people about the 100-day initiatives they accomplished. And he pointed to the damning findings of the World Bank Public Expenditure Tracking Studies that even after the semester was almost over, the Ministry of Education had not delivered textbooks to all

local schools; likewise, even at the end of planting seasons, many poor farmers had not received subsidized seeds from the Ministry of Agriculture. It was interesting to observe in person the vibrant policy contestation among stakeholders and how our work stimulated debates.

9. What was the main difficulty you encounter at work?

Let me give you an example of my experience in the India state of Bihar. Bihar was one of the poorest states in India, with socioeconomic indicators not that different from Sierra Leone but with twenty times the population size. The chief minister of Bihar, Nitish Kumar, had an ambitious agenda to establish law and order and build state institutions. He would like the state to finance a building for each village government in order to project state presence and to build village government capacity in managing public finance and delivering some citizen services. In 2009, I was tasked to design a US\$120 million project to support this vision.

This project is part of our engagement in India related to strengthening rural governments around India, in line with their Constitutional Amendment. We were already working on the same issue at the federal level (policy) and the states of Kerala, West Bengal, and Karnataka. Bihar was much poorer than the other states and had deep rooted issues of caste discrimination. How to build village governments to serve people and avoid corruption and local elite capture? That was the main challenge for us.

We were reluctant to spend US\$ 120 million on government buildings. First, buildings alone would not strengthen village government capacity in managing public resources and delivering services in a transparent and accountable manner. There need to be complementary investment in systems and human capacity.

Second, we were reluctant to accept an architectural design given by the Public Works Department. The multi-story rectangle building – “a cement matchbox” -- looked a typical office building in the city but would look out of place in a rural setting. Those in state government liked its projection of state authority, but rural people would not find it an inviting place to access public services or participate in village governance.

So we made a compromise with the State Government that we would allocate US\$40 million on village government buildings, but we would commission an architectural company familiar with Bihar’s architectural tradition to consult stakeholders and propose a few designs that are consistent with the objective of participatory, transparent and accountable village governance.

We hired an Indian architectural design company that was already working in Bihar on post-flood reconstruction projects. They were familiar with local architectural traditions, locally available building materials and artisans. They consulted officials and residents at the village, district and state levels. The company proposed for design plans, all of a “people friendly” style, with courtyard providing space for participatory meetings in the spirit of “panchayati raj” and offices that were open and accessible. When these design options were presented at a consultation workshop with representatives from six districts, people were very excited. They also said there is no need to choose one

uniform design for all village governments. Each district could make their own choice from the four options. This approach was agreed with the head of the State Department of Panchayati Raj.

By then, I had already worked with five counterpart leaders of the State Department of Panchayati Raj. There were frequent changes of senior officials in the state government, not just in the department I worked with. In my case, I worked with six heads of department in three years. I managed to build trust and reach agreement with the first five, but I was not so lucky with the last official. He was adamant that we must use the original architectural design of the Public Works Department and was not moved by the fact that the four new designs were aligned with the spirit of the project and were well received by the local beneficiaries. He also took over project management from his own director and staff and significantly slowed down project development. The ultimate irony was that this decentralization project was overseen by this senior official who did not believe in decentralized decision making. But sometimes we have to accept life's disappointment.

10. What changes and growth have you experienced when you worked at the World Bank?

The most important growth for me is that I now thrive in a diverse environment. Not only I am very confident in working with people from very diverse background, I have a preference for this type of environment. That is also why I chose to teach international students at the Institute of South-South Cooperation and Development.

The other aspect of growth is leadership capacity. In the World Bank teams horizontal collaboration across departments is the norm. When I was a project manager in Sierra Leone, almost all team members were from other departments. There were also senior experts in their fifties and sixties. As a 33-year-old project manager, I had to make (senior) people willing to work for me. The World Bank has leadership training for all levels of leaders. As a project leader, I received a full week of leadership training. I also received communication training, negotiation training and dedicated leadership coaching for managing a complex multi-sector project. When I later became a Practice Manager with broader human resource and budgetary responsibilities, I was again given a dedicated coach who would be my sounding board and helped me unpack difficult situations and find a way out.

III. Message to Youth: Always seek learning and growth

11. Please provide some advice to Chinese young people who are interested in working in international organizations or engaging in international development.

Two things we look for when hiring young professionals. The first is professional expertise. In the past, most people who worked at the World Bank studied economics, especially macroeconomics. Now the professional background is more diverse, including educational economics, environmental economics, social protection, and engineering,

etc. When we conduct interviews, we select highly qualified professionals in a variety of fields.

The second is leadership and team collaboration skills. We want people who are proactive, strive for excellence, and work well in teams. The group assignments designed in my class, which force students from different backgrounds to collaborate, are meant to develop these skills.

12. What do you think of the current anxiety among many young people? Can you give us some suggestions?

Young people have a lot more opportunities to work in an international setting now than in my days. Chinese companies are going overseas. Chinese professionals are competing for positions in international organizations. More families can afford their children studying abroad. I encourage young people to study abroad and explore. I also encourage young people to immerse in the local community while studying.

Our media paints the outside world as extremely chaotic, whether in a rich country like the U.S. or a developing country like India. Parents think it's best to keep their children at home, safe and sound. The reality is that the world is messy everywhere. There is beauty and chaos everywhere. Living in a very different country not only exposes you to its culture and how the society functions; it also makes you see China more clearly through a comparative lens.

When my daughter graduated from Princeton in 2020, the Commencement Speaker was the Filipino journalist Maria Ressa. When asked "How do we choose the next step in life?", she advised, "Make the choice to learn." I think that's the best advice for young people.

Many young people have come to me and asked me how to plan life and how to choose among so many career paths. Some are frustrated with their jobs and debating whether to change. I ask them whether they are learning and growing on the job and whether they have put their heart into their job and doing their best. Stay if you are learning and growing; and be wholehearted in your job. You will develop skills and reputation this way; and new opportunities will appear in front of you. A lot of people I admire never planned their lives the way our young people are "planning". They embrace life and grow. And paths open for them.