This Anti-Black Racism Must End

- A letter to President David Malpass of the World Bank from Black CSOs across the world

(Submitted August 17, 2020)

We, the undersigned, are calling on the World Bank and its President, David Malpass, not to insult the global movement to end anti-Black racism, which was sparked by the killing of George Floyd in the United States.

Until concrete action proves otherwise, the long #EndRacism banners hanging on the World Bank Headquarters in Washington DC merely represent an opportune appropriation of the global movement to end racial injustice and window dressing to defuse the growing demands for action within the World Bank and its sister institution, the International Monetary Fund (IMF).

We welcome President Malpass' promise to end racism in the World Bank, its programs and the countries where it works. However, this must begin with an acknowledgment of the systemic racism that has bedeviled the institution for decades followed by concrete steps to uproot this scourge.

Legacies of colonialism and racism

The World Bank has for too long perpetuated a racist stratification between developed and developing countries that is the result of centuries of colonialism and served as a gatekeeper of a global economic system that continues to privilege the developed world of European countries and colonial settler-states such as the US, Canada, Australia and New Zealand.

If the World Bank is earnest about putting an end to the scourge of anti-Black racism (or "Afriphobia" as some prefer to call it) it must work towards upending centuries of ruthless domination and exploitation—including, systematic racial subjugation, colonization, wars, genocides and enslavement—which have produced a global economy that continues to benefit developed countries to the social, economic and environmental detriment of developing countries, Black countries in particular.

As United Nations Secretary-General, António Guterres, puts it in <u>his Nelson Mandela Annual</u> <u>Lecture</u> on 18 July 2020,

The legacy of colonialism still reverberates... We see this in the global trade system. Economies that were colonized are at greater risk of getting locked into the production of raw materials and low-tech goods – a new form of colonialism. And we see this in global power relations. Africa has been a double victim. First, as a target of the colonial project. Second, African countries are under-represented in the international institutions that were created after the Second World War, before most of them had won independence. The nations that came out on top more than seven decades ago have refused to contemplate the reforms needed to change power relations in international institutions.

President Malpass, this racism must end.

Lack of equity and democracy

The racially stratified world order that was established by centuries of colonialism is reflected in the governance structure of the World Bank.

Rather than being elected, the leaders of the World Bank (and the IMF) are appointed by the US and Europe. One result being that the appointed leaders to the World Bank always are American (whereas the appointed leaders to the IMF always are European).

Moreover, the entire voting system of the World Bank is skewed towards the domination of the US, Europe and other developed countries and the subordination of developing countries, African countries in particular. The largest vote holders are the G7 countries, the US, Canada, France, Germany, Italy and Japan. And while middle- and low-income countries are approximately 85% of the world's population, they have approximately 40% of the vote.¹

Moreover, the systemic confinement of Black people in particular to second-class global citizens is demonstrated in African and Caribbean nations' gross underrepresentation on the World Bank Board. Whereas the majority of World Bank programs are in Africa and African countries account for more than 25% of the member countries of the World Bank, they are allotted a paltry 5.5% of the voting rights.²

Nigeria alone has a population of 196 million people and a \$1.1 trillion GDP (PPP), but merely 0.65 percent of the voting rights in the World Bank. Qatar with a population of less than 2.8 million people and a \$346 billion GDP (PPP) wields more voting power than Nigeria. Ethiopia, one of the 23 founding members of the World Bank, with 109.2 million people and a \$253 billion GDP (PPP) is allotted 0.08% of the voting rights, which is significantly less than that of Luxemburg with a population of 613,894 and GDP of \$44 billion.³

Institutional racism as a widespread global phenomenon has virtually excluded over 1.2 billion African and Caribbean people from global economic forums such as the Group of Twenty (G-20). Officially, the G-20 bills itself as "the premier forum for global economic and financial cooperation" and proclaims to be "inclusive" with a vision to "secure sustainable and balanced global growth and reform the architecture of global governance."⁴

Yet, Africa with a population of 1.2 billion and GDP of \$6.36 trillion is represented by only one country, South Africa. By comparison, South America, with a population of 423 million and GDP of \$6.6 trillion is represented by 3 countries.⁵

This racism must end.

¹ Cf. e.g. Jason Hickel, "Apartheid in the Global Governance System." Jasonhickel.org, <u>https://www.jasonhickel.org/blog/2019/10/16/apartheid-in-the-global-governance-system</u> (accessed August 16, 2020).

 ² World Bank, "Allocation of Votes by Organization." https://www.worldbank.org/en/about/leadership/votingpowers, Website accessed August 8, 2020.
³ World Bank, "GDP, PPP (Current International \$)" World Bank Database 2020.

https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD, Website accessed August 9, 2020

⁴ G20 Foundation, "The G20: its role and legacy" <u>https://www.g20foundation.org/g20/the-g20-its-role-and-legacy</u> (accessed August 8, 2020).

<u>5 World Bank, "GDP, PPP (Current International \$)" World Bank Database 2020.</u> https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD, Website accessed August 9, 2020

Perpetuating a racialized global economy

The wealth amassed by the global economic order continues to be concentrated in businesses and peoples in the developed world. And the economies, production and consumption of developed countries continue to rely on cheap access to natural and human resources in developing countries.

This relationship undermines sustainable development, self-determination over natural resources, living wages and other labor rights, manufacturing output, access to higher education, social mobility, peace, security and political stability in developing countries.

This is no less true for Africa. Most of the world's least developed and poorest countries are in Africa. Fourteen of the 15 least educated countries are in Africa. Twenty-three of the 25 highest infant mortality rates are found in African countries. The 30 countries with the lowest life expectancy are all in Africa. And excluding countries in civil war, eight of the ten most corrupt countries in the world are in Africa.⁶

Between 1980 and 2009, \$1.2 to 1.4 trillion was illicitly siphoned out of Africa.⁷ This is far more than the money the continent received in foreign aid and loans over the same period. Sixty percent of the losses Africa suffered are due to aggressive tax avoidance by multinational corporations.⁸

In many cases, African countries were performing better than Asian countries before the World Bank became a fixture on the Continent. As World Bank data shows, in 1960, there were 10 Sub Saharan African countries with GDP per capita (constant 2010 \$US) higher than those of China and Korea. Looking at the regional average, in 1960, the GDP per capita for Sub Saharan Africa was more than 300% of that of the average for South Asia. In 2019, the average for Sub Saharan Africa was 14% less than South Asia's.⁹

In the 1970s, Africa accounted for over 3% of global manufacturing output. In 2016, the figure was down to 1.5%, according to *the Economist Intelligence Unit.*¹⁰ As World Bank data shows, in 1985 the world traded \$2.47 trillion worth of stocks. In 2017, the figure had shot up to \$77.57 trillion. Sub-Saharan Africa (barring South Africa) is the only region that did not even register a blip on the radar screen of the global capital (stock) markets.

After 50 years of the World Bank's intervention in African countries, the results are damning. Far from alleviating poverty, World Bank financed projects have "devastating consequences for some

⁶ US Africa Network, "Top 10 Questions About Illicit Financial Flows and Africa", Website Accessed on August 10, 2020.

⁷ United Nations, "Illicit Financial Flows from Africa: track it, stop it, get it." *Africa Renewal Magazine* (December 2013). https://www.un.org/africarenewal/magazine/december-2013/illicit-financial-flows-africa-track-it-stop-it-get-it (accessed August 8, 2020).

⁸ The corruption in Africa has been aided by geopolitical and economic interests, international banks and multilateral corporations. It has long been established that "Global financial infrastructure by way of banks, multinational corporations, and international finance institutions has facilitated both the legal and illegal flow of money" out of Africa. Federal Ministry for Economic Cooperation and Development, "Africa and Europe – A new partnership for development, peace and a better future" (2017). https://www.bmz.de/en/publications/type_of_publication/information_flyer/information_brochures/ Materialie270_africa_marshallplan.pdf (accessed August 8, 2020).

⁹ World Bank, "GDP per capita (constant 2010 \$US)", World Bank Database (2020) https://data.worldbank.org/indicator/NY.GDP.PCAP.KD. Website accessed August 8, 2020.

¹⁰ The Economist Intelligence Unit, "Manufacturing in Africa: Still Struggling With the Basics", Website Accessed on August 8, 2020. <u>https://country.eiu.com/login.aspx</u>

of the poorest and most vulnerable people on the planet," as documented by the International Consortium of Investigative Journalists. 11

The Bank's virulent racism, which has segregated and marginalized Black people in its decisionmaking governance architecture has left the fate of Africa to white supremacy.

In effect, World Bank loan conditions and programs (including "structural adjustment") have aided foreign investors, corporations and developed countries rather than African peoples; given priority to NGOs, consultants, skilled laborers and development experts from developed countries over those from African and Caribbean countries; increased access of developed economies to African natural resources, cheap labor, and markets, rather than aided the development of African countries; burdened African taxpayers, economies, and societies with ever growing unsustainable and insurmountable debts; and in the process failed to empower African countries to become economically as well as politically sovereign and self-determined.

The Bank's own economic and social data serves as its report card, showing the pillaging and devastation of Africa.

This racism must end.

Racism in the World Bank as a workplace

Racism is also a problem in the World Bank as a workplace. Since 1979, 17 World Bank reports have documented that anti-Blackness (Afriphobia) in the institution is "systemic."¹² A 1998 World Bank report revealed that some managers with "cultural prejudice" against Black people "rated Africans as unsophisticated and inferior."¹³ There is no reason to believe that such attitudes no longer prevail. The Bank's former Senior Advisor for Racial Equality revealed in 2005 that his office "received and reviewed over 450 cases of racial discrimination in five years."¹⁴ This is 90 complaints per year, amounting to nearly 2 complaints per week, excluding weekends and holidays. All cases were summarily dismissed.

Over a dozen studies, including those by the US government, the World Bank and the World Bank staff association, have pointed out that claimants of racial discrimination are denied due process.¹⁵ A 2015 29-page report by nine American Civil Rights Organizations documented with detailed evidence that the World Bank has "different judicial standards for Blacks and non-blacks."¹⁶

¹¹ International Consortium of Investigative Journalists. "How the World Bank Broke Its Promise to Protect the Poor" (2015)

¹² Egan, Mary Lou et. al. "Enhancing Inclusion at the World Bank Group: Diagnosis & Solutions." December 2003. World Bank Group. 21 August 2008

¹³ World Bank, "Racial Equality in the Bank Group - The Challenge of Inclusion", The World Bank Team for Racial Equality, March 4, 1998

¹⁴ Africa Resource, "Memorandum on the Status of Racial Diversity in the World Bank Group in 2005" Website Accessed August 8, 2020 <u>https://www.africaresource.com/essays-a-reviews/race-watch/709-memorandum-on-the-status-of-racial-diversity-in-the-world-bank-group-in-2005</u>.

¹⁵ Government Accountability Project (GAP), "Racial Discrimination at the World Bank" (2009)16 US Government Accountability Office (GAO), "The Report to Congressional Committees, World Bank

Status of Grievance Process Reform (1999)" Website Accessed August 8, 2020 https://www.gao.gov/products/GAO/NSIAD-99-96

Another 2015 report, this one a World Bank official report, found that the Bank's race relations is one to two degrees removed from apartheid.¹⁷ On a graduating scale of 1 to 6—where 1 represents an apartheid like system and 6 signifies racial equality—the official report found the World Bank "hovering between 2 and 3." The report further revealed that Black staff members consider the World Bank "apartheid like" where Blacks are kept at the bottom of the pile.

An outstanding racial discrimination case involving an Ethiopian economist and former World Bank staff member, Dr. Yonas Biru, has become a symbol of the Bank's institutional racism. Even two current members of President Trump's Cabinet, HUD Secretary Dr. Ben Carson and former Attorney General of Virginia, Ken Cuccinelli have condemned the injustice against him respectively as evidence of a "lack of humanity" and the "systematic destruction of the dignity of a human being." As documented in numerous newspaper articles and independent reports, Dr. Biru's professional accomplishments were "retroactively downgraded" after the World Bank deemed them "too good to be true for a black man."¹⁸ To this day, his case has not been resolved, even after the World Bank's own 2015 official report found it to be a "blatant and virulent case of racism."

Despite its very well-documented and pervasive institutional anti-Black racism (Afriphobia), the World Bank seems bent on maintaining the status quo while hand-waving and window-dressing for the public. In a recent letter to President Malpass, dated July 31 2020, leaders of the World Bank and the International Monetary Fund Staff African American Association complained about the Task Force that the President has organized to address the internal demands for reform triggered by the George Floyd protests. They stated that the under-representation of African Americans in the Task Force is a "tacit dismissal of our voices and a missed opportunity to include the experiential knowledge African Americans would bring to the important process of laying out a framework that could begin ending racism at the World Bank Group."

President Malpass, this racism must end.

Black debt-bondage

The anti-Black systemic racism of the World Bank and its sister institution the IMF are holding African and Caribbean countries under debt-bondage. As the Heritage Foundation has demonstrated with hard data, "most long-term recipients of World Bank money are no better off than they were when they received their first loan. Many are actually worse off."¹⁹

This is not least true of African countries that face the highest costs of borrowing in the world when compared to their fiscal and economic capacities.²⁰

¹⁷ World Bank, "A Strategic Review of Current Diversity, Inclusion, and Racial Relations Issues Related to the World Bank Group Workforce" (May 2015)

¹⁸ E. Faye Williams, "First Legally Sanctioned Racial Discrimination Case in the U.S. in the 21st Century", *Afro American News*, November 7, 2017; and Ken Cuccinelli, "Racism at the World Bank", *The Washington Times* February 21, 2019.

¹⁹ The Heritage Foundation, "The World Bank and Economic Growth: 50 Years of Failure," May 16, 1996. <u>https://www.heritage.org/trade/report/the-world-bank-and-economic-growth-50-years-failure,</u> Website accessed on August 9, 2020.

²⁰ As documented by the Brookings Institution, in 2019, "twenty-two African countries had debt-to-GDP ratios above 61 percent, exceeding the <u>60 percent that is often suggested by economists as a prudential upper bound for developed countries</u>." Consequently, African countries face extremely high costs of borrowing. For example, the report noted that Nigeria and Kenya, have yields over 10 percent on 10-year sovereign bonds. By comparison Vietnam and India have yields of 3 percent, and 6 percent, respectively. This means the two African countries pay 300% more than Vietnam and 40% more than India to mobilize funds through bond sales. See, Payce Madden, "Figures of the Week: Africa's Fiscal Response to Covid-19,"

The vicious cycle of African and Caribbean countries having to borrow to stay afloat rather than develop, while sinking further into debt without any hope of ever repaying it, has recently been demonstrated by the COVID19 pandemic emergency loans that they have taken from the World Bank and IMF. Although African countries seem to have among the lowest infection rates in the world, most COVID19 emergency loans from the World Bank have gone to African countries.²¹ In addition, African countries have taken emergency loans from the IMF to the tune of \$7.5 Billion.²²

The World Bank is perpetuating racism institutionally and globally and is a knee on the neck of Black people around the world.

President Malpass, this racism must end.

The World Bank must overhaul itself and its relationship to Black people. It must put an end to its systemic anti-Blackness (Afriphobia) and take steps towards halting and reversing centuries of domination, exploitation and oppression of Black people.

Without such resolute actions, its public call for justice for George Floyd, along with a false claim that "Racial discrimination and social injustice have no place" in the World Bank, is disingenuous.

Four steps towards ending racism at the World Bank

We, the undersigned, are requesting that the World Bank meet with us in good faith to begin an earnest conversation towards transformation.²³ We request a video meeting with President Malpass at a suitable time within the next few weeks with representatives of each of the signatory NGOs of this letter.

To organize this meeting, please contact the Director of Africans Rising for Justice, Peace and Dignity, Mr. Muhammed Lamin Saidykhan: <u>muhammedlamin@africans-rising.org</u>.

Ahead of this meeting with President Malpass, we are asking that the World Bank consider the following four steps towards ending racism at the World Bank:

1. Establish an independent review mechanism towards dismantling the World Bank's perpetuation of the domination of developed countries and the subordination of developing countries, African and Caribbean countries in particular. The World Bank should, in collaboration with African,

Africa in Focus, May 13, 2020, <u>https://www.brookings.edu/blog/africa-in-focus/2020/05/13/figures-of-the-week-africas-fiscal-response-to-covid-19/</u> (accessed August 9, 2020).

²¹ World Bank, "World Bank Group's Operational Response to COVID-19," <u>https://www.worldbank.org/en/about/what-we-do/brief/world-bank-group-operational-response-covid-19-coronavirus-projects-list</u> (accessed 10 August 2020) and "Pandemic Emergency Financing Facility Country Allocations," <u>http://pubdocs.worldbank.org/en/140481591710249514/PEF-country-allocations-table.pdf</u> (accessed 10 August 2020).

²² IMF, "COVID19 Financial Assistance and Debt Service Relief," <u>https://www.imf.org/en/Topics/imf-and-covid19/COVID-Lending-Tracker#EUR</u> (accessed 10 August 2020).

²³ It should be noted that in April 2014, World Bank President Jim Yong Kim met with 15 LGBTQ advocates from around the world "to listen to their experiences and concerns." In May of the same year, leading civil rights organizations in the US requested a similar meeting with President Kim. The Bank's answer was that meeting with the President was out of question and instead offered his Chief of Staff to meet with them. The civil rights group wrote back requesting the President to reconsider his decision. The response was a firm "No."

Caribbean and other developing countries, civil society across the world and the UN, resolutely seek to dismantle its legacies of colonialism and racism by establishing an independent review mechanism with the purpose of periodically reviewing and advising on the structures and activities of the World Bank with a view of halting and repairing these legacies and ensuring that the World Bank supports an equitable, democratic and sustainable international order. This is in line with the Sustainable development Goals and the many resolutions that have been passed by overwhelming majority votes in recent years by the UN General Assembly and Human Rights Council towards a new international economic order and an equitable and democratic international order. It is also in the spirit of the ongoing <u>UN International Decade for People of African Descent 2015-2024</u>. Such an independent review mechanism could be discussed and deliberated at the forthcoming 15th UN Conference on Trade and Development (UNCTAD15), which will be held in Barbados next year April 25-30, 2021;

2. **Reform the World Bank to become an equitable and democratic institution**. Future leaders of the World Bank should be democratically elected based on democratic and equitable selections of candidates. The Bank's voting right allocation should be restructured taking into consideration two factors: equal voice between developed and developing nations and equitable distribution by regions. President Malpass, the UN and the world community should be mindful that such reform is among the Sustainable Development Goals. The Declaration for the 2030 Agenda for Sustainable Development affirms that,

We acknowledge the importance for international financial institutions to support, in line with their mandates, the policy space of each country, in particular developing countries. We recommit to broadening and strengthening the voice and participation of developing countries—including African countries, least developed countries, landlocked developing countries, small island developing States and middle-income countries—in international economic decision-making, norm-setting and global economic governance.²⁴

Sustainable Development Goal 10.6 calls for "enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions."²⁵ Whereas 16.8 sets out to, "Broaden and strengthen the participation of developing countries in the institutions of global governance;"²⁶

3. **Debt forgiveness for African and Caribbean countries.** This is also in line with the Sustainable Development Goals (e.g. SDG 17.4²⁷). It is also part of the 10-point plan for reparatory justice of the Caribbean Community (CARICOM) 15 Member States. Centuries of domination, economic exploitation, colonialism, enslavement and systemic racism have left African and Caribbean states in debt, economic and social dire straits without redress;

²⁴ United Nations, Transforming Our World: The 2030 Agenda for Sustainable Development. <u>https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf</u> (accessed August 16, 2020).

²⁵ Ibid.

²⁶ Ibid

²⁷ Ibid

4. An independent mechanism for access to justice at the World Bank. The World Bank must grant whistleblowers and racial discrimination litigants' access to external arbitration outside of the World Bank's internal justice system. Recognizing the fact that, since 1998, over a dozen US government, World Bank, World Bank Staff Association and external reports have found that victims of racial injustice and whistleblowing retaliation are denied due process by the internal justice system, the World Bank must meet this demand without delay. In this regard, we request the World Bank resolve Dr. Biru's outstanding case. We take note that the case has not been resolved even after the World Bank spokesperson in May 2019, promised it will be resolved.²⁸ Three months later, the US Board of Director at the World Bank wrote that President Malpass is aware of the case and expressed hope that it will be "resolved adequately."²⁹

Signed by,

- 1. Abdul Mageed Educational Trust, UK
- 2. Addis Ababa University, Ethiopia
- 3. Africana Institute for Creativity, Recognition and Elevation (AICRE) at the University of California at Irvine, USA
- 4. African American Bishops For Justice, USA
- 5. Africans Rising for Justice, Peace & Dignity, Gambia
- 6. African Voices Forum, UK
- 7. Africa Solidarity Centre, Ireland
- 8. Afro Empowerment Center, Denmark
- 9. Afrogroov Ltd, Uganda
- 10. Afrosvenskarnas riksorganisation/Afro-Swedish National Organization (ASR), Sweden
- 11. Agency for Civil Society Organizations, Ethiopia
- 12. Black Learning and Mental Health UK (BLAM UK), UK
- 13. Black Lives Matter Sweden, Sweden
- 14. Black Voters Matter Fund, USA
- 15. Communities Empowerment Network (CEN), UK
- 16. Do it With Boldness Foundation (DWB), Kenya
- 17. Equal Health Global Campaign Against Racism, USA
- 18. European Network of People of African Descent (ENPAD)
- 19. European Network of Women of African Descent (ENWAD)
- 20. Global Afrikan Congress (GAC)

²⁸ Email Memo from David M. Theis (Press Secretary and Spokesperson The World Bank Group) to Bishop Bishop Brian Collins (Founder and Chair, African American Bishops for Justice), Tuesday, May 28, 2019. Copied in the email were Mercy Niwe, Faith-Based Organization engagement; Bill Danvers, North American engagement; Ingo Burghardt, Chief Counsel, Legal; Philip Beauregard, Manager, Human Resources; Monica Oldham, Manager, Diversity and Inclusion Office; Tracy Hart, Acting Staff Association Head; and Frank Sheed, Staff Association Counsel.

²⁹ Email Memo from H.E. Erik Bethel (US Board of Director to the World Bank) to Bishop Brian Collins (Founder and Chair, African American Bishops for Justice), Thursday, Aug 29, 2019. Copied in the email was William Chappell Danvers, special representative for international affairs.

- 21. Global Afrikan Congress (GACuk), UK
- 22. Healing Paradigm, USA
- 23. IDPAD Coalition UK, UK
- 24. INGWEE, Belgium
- 25. Institute of the Black World 21st Century (IBW21), USA
- 26. Justice for Blacks, USA
- 27. Link Africa 365 for Trade and Development, Gambia
- 28. Making Education a Priority (MEaP), UK
- 29. Mano Amiga de la Costa Chica, México
- 30. Most Influential People of African Descent (MIPAD), USA and Nigeria
- 31. MUXIMA BIO B.V., Netherlands
- 32. National African American Reparations Commission (NAARC), USA
- 33. Natural Justice: Lawyers for Communities and the Environment, South Africa
- 34. Northampton Somali Community Association, UK
- 35. Observatory of Justice for Afrodescendants in Latin America (OJALA) at Florida International University, USA
- 36. **Organization for the Rights of People of African Descent**, Guadeloupe, French West Indies
- 37. Organization SAN PON, Haiti
- 38. PAD Business Network Foundation, Belgium
- 39. Parable of the Sower Intentional Community Cooperative, USA
- 40. People Against Suffering, Oppression and Poverty (PASSOP), South Africa
- 41. Plataforma Gueto, Portugal
- 42. Qiesto Learning Ltd, Nigeria
- 43. Rainbow PUSH Coalition, USA
- 44. Salifu Dagarti Foundation, UK
- 45. Uganda Association Ireland, Ireland
- 46. UNESCO Inclusive Policy Lab, People of African Descent and the SDGs E-team
- 47. U.S. Africa Institute, USA
- 48. U.S. Human Rights Cities Alliance, USA
- 49. Virgin Islands Youth Advocacy Coalition, Inc., Virgin Islands (U.S.)
- 50. When African Youth Speak (WAYS.org), Sweden