This Anti-Black Racism Must End

By Black Civil Society Organisations

The World Bank and its President, David Malpass, must not 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 at the World Bank Headquarters in Washington DC merely represent an opportunistic 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).

While welcome, President Malpass’ promise to end racism within the World Bank, its programmes and the countries where it works, it must be preceded by an acknowledgment of the systemic racism that has bedeviled the institution for decades, and 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 has 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, colonisation, 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.

The systemic anti-Black racism of the World Bank and its sister institution the IMF is holding African and Caribbean countries in debt bondage

As United Nations Secretary-General, António Guterres, put it in his Nelson Mandela Annual Lecture 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.

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 leaders appointed to the World Bank are always American (while the leaders appointed to the IMF are always 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, Japan and the United Kingdom—while middle- and low-income countries, which represent approximately 85 per cent of the world’s population, have approximately 40% of the vote.

Moreover, the systemic relegation of Black people in particular to the status of second-class global citizens is demonstrated in the gross underrepresentation of African and Caribbean nations on the board of the World Bank. Whereas the majority of World Bank programmes are in Africa and African countries account for more than 25 per cent of the member countries of the World Bank, they are allotted a paltry 5.5 per cent of the voting rights.

Nigeria alone has a population of 196 million people and a $1.1 trillion GDP (PPP), but merely 0.65 per cent of the voting rights in the World Bank. Qatar with a population of less than 2.8 million people and a US$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 US$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.

Institutional racism is a widespread global phenomenon that 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”.

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

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Perpetuating a racialised 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 labour 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 to be 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.

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

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 a 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 per cent of that of the average for South Asia. In 2019, the average for sub-Saharan Africa was 14 per cent less than South Asia’s.

In the 1970s, Africa accounted for over 3 per cent of global manufacturing output. In 2016, the figure was down to 1.5 per cent, according to The Economist Intelligence Unit. As World Bank data shows, in 1985 the world traded US$2.47 trillion worth of stocks. In 2017, the figure had shot up to US$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.

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

The Bank’s virulent racism, which has segregated and marginalised Black people in its decision-making governance architecture, has left the fate of Africa to white supremacy.

In effect, World Bank loan conditions and programmes (including “structural adjustment”) have aided foreign investors, corporations and developed countries rather than African peoples; given priority to NGOs, consultants, skilled labourers and development experts from developed countries over those from African and Caribbean countries; increased access of developed economies to African natural resources, cheap labour, 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.

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

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Black debt bondage

The systemic anti-Black racism of the World Bank and its sister institution the IMF is holding African and Caribbean countries in 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”.

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.

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 COVID-19 pandemic emergency loans that they have taken from the World Bank and the IMF. Although African countries seem to have among the lowest infection rates in the world, most COVID-19 emergency loans from the World Bank have gone to African countries. In addition, African countries have taken emergency loans from the IMF to the tune of US$7.5 billion.

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

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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 (Afrophobia) in the institution is “systemic”. A 1998 World Bank
report revealed that some managers with “cultural prejudice” against Black people “rated Africans as unsophisticated and inferior”. 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”. This is 90 complaints per year, amounting to nearly two complaints per week, excluding weekends and holidays. All cases were summarily dismissed.

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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. 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”.

Another 2015 World Bank report, A Strategic Review of Current Diversity, Inclusion, and Racial Relations Issues Related to the World Bank Group Workforce, found that the Bank’s race relations is one to two degrees removed from apartheid.

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, Housing and Urban Development Secretary Dr Ben Carson and former Attorney General of Virginia, Ken Cuccinelli, have condemned the injustice against Dr Biru 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”. 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”.

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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 Association complained about the Task Force that the President has organised 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”.

This racism must end.
Four steps towards ending racism at the World Bank

First, the World Bank should, in collaboration with African, 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 UN International Decade for People of African Descent 2015-2024. 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 in April 2021.

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Second, 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.

Further, 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”, whereas 16.8 sets out to, “Broaden and strengthen the participation of developing countries in the institutions of global governance”.

Third, debt forgiveness must be effected for African and Caribbean countries. This is also in line with the Sustainable Development Goals. 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.

Finally, an independent mechanism for access to justice must be established 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. Recognising 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.
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.

This article is an abridged version of an open letter penned by Civil society organisations to the President of the world bank, David Malpass. You can read the original here.

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