

De : Olivier Lafourcade [<mailto:olivierlafourcade@yahoo.com>]

Envoyé : 26 oct. 21 17.36

À : Jean Baneth

Cc : Michele Bailly; Armand de Largentaye; Daniel Coyaud; Christian Mérat

Objet : Fw: TR: Fw: Open letter to the World Bank Board from retirees on the WilmerHale report
Inbox

Cher Jean,

Isabelle m'a fait suivre ton email. Il se trouve que je n'ai pas reçu celui que tu as envoyé précédemment, adressé également à Isabelle. Problème de communication chez nous sans doute, mais j'avais signalé dans mon message d'origine d'adresser d'éventuels commentaires à mon adresse email (yahoo) et non à celle d'Isabelle. D'autant plus, que ton message est arrivé à une adresse d'Isabelle (hotmail) qu'elle n'utilise plus (elle est sur yahoo), et donc il ne nous est pas parvenu. Désolé de ce snafu.

En substance, je réalise que j'ai moi-même réagi trop précipitamment en signant la lettre. Je me suis focalisé sur la question de la remise en cause possible de la fiabilité des données fournies par la Banque de manière générale qui, si elle devait être avérée, pourrait avoir des conséquences désastreuses. En revanche, je partage depuis longtemps les doutes et les critiques sur la nature et l'utilisation du rapport Doing Business, précisément pour son caractère plus que suspect de ranking et de distribution de bons points, sur des bases hautement critiquables. J'ai le même type de questionnement sur l'utilisation du CPIA (Country Policy and Institutional Assessment) pour décider sur l'allocation des fonds IDA. Là encore, un système de notation qui me paraît très suspect.

Je propose que tout cet échange de messages soit posté sur notre site web, pour accès à tous nos membres. Les informations que tu présentes, comme les observations de Michele Bailly -- je confirme totalement ce qu'elle décrit dans la controverse entre les autorités françaises (en particulier par les interventions de Pierre Duquesne, Administrateur pour la France à la Banque et au Fonds) et la Banque/SFI -- et d'Armand de Largentaye, de même que l'article de Stiglitz valent la peine d'être circulés.

Encore mille excuses pour ce problème de communication.

J'espère que tu vas bien.

Bien amicalement

Olivier

----- Message transmis -----

De : Jean BANETH <jean.baneth@wanadoo.fr>

À : Daniel Coyaud <dancoyoud@orange.fr>; "mich.bailly@gmail.com" <mich.bailly@gmail.com>;
Christian Mérat <christian.merat@wanadoo.fr>; Isabelle LAFOURCADE <ilafourcade@hotmail.com>

Envoyé : lundi 25 octobre 2021, 18:49:06 UTC+2

Objet : Re: TR: Fw: Open letter to the World Bank Board from retirees on the WilmerHale report Inbox

Daniel Coyaud m'a aimablement transmis votre lettre. Je suis content de l'avoir vu - et de pouvoir vous dire que je suis entièrement d'accord. Lors de la réception de la lettre de notre ami Lafourcade je lui ai demandé de faire circuler ma réponse aux destinataires de sa lettre, dont la liste était occultée - il ne m'a pas répondu donc je ne pense pas que cela ait été fait. Je joins cette lettre.

La suite des nouvelles indique que les pressions contre Gorgieva viendraient surtout des Américains, et elle semble avoir été vaillamment défendue par les Européens et Africains. Tant mieux!

Je ne suis pas grand lecteur de Doing Business. Quoique l'on pense des composantes de l'indice, leur agrégation pondérée dont résulte le classement général, objet de toutes les attentions, est tout à fait arbitraire. Je ne dis pas qu'elle est fautive - mais de tout autres pondérations donnant de tout autres classements seraient tout autant justifiés.

Quant à l'indignation devant le souhait de ne pas trop heurter les vœux d'un actionnaire important, je la trouve un peu artificielle parce que de tels souhaits ont existé de tous temps, et ce n'est que normal. Illustrations:

En 1966 j'ai contribué au rapport sur le Troisième Plan indien en écrivant le volume sur les exportations. Il avait été distribué à toute la Banque sous couverture verte - je ne sais pas si le passage par Yellow Cover, Green Cover et Grey Cover subsiste. Le Ministre des Finances indien et le Directeur (indien) du Département concerné du FMI ont protesté auprès de George Woods, alors Président de la Banque, qui a ordonné le rappel du rapport. J'ai dû le réécrire en mâchant un peu mieux mes mots mais sans, je crois, avaler le message.

En 1986 ma Vice-Présidente, Anne Krueger, m'a relayé les protestations de l'Administrateur français contre certain passage des *World Debt Tables*, encore en projet et qui devaient être publiés sous ma responsabilité. Anne n'est pas du genre à plier - mais elle m'a demandé, comme un service, d'essayer de trouver une formulation moins forte, si du moins c'était possible sans dénaturer ma pensée. Nous avons obtempéré de notre mieux. Peu après intervenaient les élections parlementaires françaises, le nouveau Premier Ministre, Jacques Chirac, fit son premier voyage officiel en Côte d'Ivoire, et ce n'est pas sans une certaine satisfaction que j'ai transmis à l'Administrateur français un journal d'Abidjan qui citait Chirac répondant à une question au sujet de la dette des pays en développement: "*Je suis d'accord avec M. Jean Baneth, de la Banque Mondiale, qui...*".

Et en ce qui concerne d'hypothétiques pressions chinoises, pourquoi diable pensent les protestataires que nous avons dû cesser de montrer dans nos publications les données concernant Taiwan?

Je crois que Doing Business devrait continuer ou reprendre - mais sans le classement d'ensemble dont l'arbitraire frise le ridicule. Et si je n'étais pas si paresseux, j'envisagerais d'écrire au Conseil d'administration du FMI pour exprimer ma satisfaction de leur sage décision.

Meilleures salutations.

Jb

Isabelle Lafourcade <ilafourcade@yahoo.com>

objet : Re: Fw: Open letter to the World Bank Board from retirees on the WilmerHale report Inbox

Chère Isabelle, cher Olivier, je crois que vous devriez lire l'article ci-joint. Je partage tout à fait l'opinion de Stiglitz, y compris son rejet virulent du "Doing business report". Cela explique que je n'aie pas voulu me joindre aux signataires de la lettre des retraités.

Je n'ai pas la liste de ceux à qui vous avez transmis l'appel à protestations. Serait-ce trop vous demander de leur transmettre aussi l'article – tout en exprimant, le cas échéant, vos désaccords avec Stiglitz?

Quoi que vous décidiez, croyez à mon estime, et recevez mes meilleures salutations.

Jean Baneth

https://www.project-syndicate.org/commentary/coup-attempt-against-imf-managing-director-georgieva-by-joseph-e-stiglitz-2021-09?fbclid=IwAR0hOfHLCo-KAkRejS2ONcsx6VWitxf6KN2MwFCtroG_yNC26-0AlvTj4zY

A Coup Attempt at the IMF

Sep 27, 2021 [JOSEPH E. STIGLITZ](#)

Kristalina Georgieva, the IMF's Managing Director since 2019, has been a bold leader in confronting the economic fallout of the pandemic, as well as in positioning the Fund as a global pioneer on climate change. The efforts now underway to remove her are not only unjust, but could hamstring the Fund's management for years to come.

NEW YORK – Moves are afoot to replace or at least greatly weaken [Kristalina Georgieva](#), the International Monetary Fund's managing director since 2019. This is the same Georgieva whose excellent response to the pandemic quickly provided funds to keep countries afloat and to address the health crisis, and who successfully advocated for a \$650 billion issuance of IMF "money" (special drawing rights, or SDRs), so essential for low- and middle-income countries' recovery. Moreover, she has positioned the Fund to take a global leadership role in responding to the existential crisis of climate change.

1. China's Risky Business Crackdown

[RAGHURAM G. RAJAN](#) thinks the government's new "common prosperity" campaign could easily go overboard. [3](#)

For all of these actions, Georgieva should be applauded. So, what is the problem? And who is behind the effort to discredit and oust her?

The problem is a [report](#) that the World Bank commissioned from the law firm WilmerHale concerning the Bank's annual *Doing Business* index, which ranks countries according to the ease of opening and operating commercial firms. The report contains allegations – or more accurately "hints" – of improprieties involving China, Saudi Arabia, and Azerbaijan in the 2018 and 2020 indexes.

Georgieva has [come under attack](#) for the 2018 index, in which China was ranked 78th, the same position as the previous year. But there is an insinuation that it should have been lower and was left as part of a deal to secure Chinese support for the capital increase that the Bank was then seeking. Georgieva was the World Bank's chief executive officer at the time.

The one positive outcome of the episode may be the [termination](#) of the index. A quarter-century ago, when I was chief economist of the World Bank and *Doing Business* was published by a separate division, the International Finance Corporation, I thought it was a terrible product. Countries received good ratings for low corporate taxes and weak labor regulations. The numbers were always squishy, with small changes in the data having potentially large effects on the rankings. Countries were inevitably upset when seemingly arbitrary decisions caused them to slide in the rankings.

Having read the WilmerHale report, having talked directly to key people involved, and knowing the whole process, the investigation appears to me to be a hatchet job. Throughout, Georgieva acted in an entirely professional way, doing exactly what I would have done (and occasionally had to do when I was chief economist): urge those working for me to be sure their numbers were right, or as accurate as possible, given the inherent limitations on data.

Shanta Devarajan, the head of the unit overseeing *Doing Business* who reported directly to Georgieva in 2018, [insists](#) that he *never* was pressured to change the data or results. The Bank's staff did exactly as Georgieva instructed and rechecked the numbers, making miniscule changes that led to a slight upward revision.

The WilmerHale report itself is curious in many ways. It leaves the impression that there was a quid pro quo: the Bank was attempting to raise capital and offered improved rankings to help get it. But China was the most enthusiastic backer of the capital increase; it was the United States under President Donald Trump that was dragging its feet. If the objective had been to ensure the capital increase, the best way of doing so would have been to *lower* China's ranking.

The report also fails to explain why it doesn't include the full testimony of the one person – Devarajan – with firsthand knowledge of what Georgieva said. "I spent hours telling my side of the story to the World Bank's lawyers, who included only half of what I told them." Devarajan has [said](#). Instead, the report proceeds largely on the basis of innuendo.

The real scandal is the WilmerHale report itself, including how [David Malpass](#), the World Bank president, escapes unscathed. The report notes another episode – an attempt to upgrade Saudi Arabia in the 2020 *Doing Business* index – but concludes that the Bank's leadership had nothing to do with what happened. Malpass would go to Saudi Arabia touting its reforms on the basis of *Doing Business* just a year after Saudi security officials murdered and dismembered the journalist [Jamal Khashoggi](#).

He who pays the piper, it seems, calls the tune. Fortunately, investigative journalism has uncovered far worse behavior, including an [unvarnished attempt](#) by Malpass to change the methodology of *Doing Business* to move China down in the rankings.

If the WilmerHale report is best characterized as a hatchet job, what's the motive? There are, not surprisingly, some who are unhappy at the direction the IMF has taken under Georgieva's leadership. Some think it should stick to its knitting and not concern itself with climate change. Some dislike the progressive shift, with less emphasis on austerity, more on poverty and development, and greater awareness of the limits of markets.

Many financial market players are unhappy that the IMF seems not to be acting as forcefully as a credit collector – a central part of my critique of the Fund in my book *Globalization and Its Discontents*. In the Argentine debt restructuring that began in 2020, the Fund showed clearly the limits on what the country could pay, that is, how much debt was sustainable. Because many private creditors wanted the country to pay more than was sustainable, this simple act changed the bargaining framework.

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Then, too, there are longstanding institutional rivalries between the IMF and the World Bank, heightened now by the debate about who should manage a proposed new fund for "recycling" the newly issued SDRs from the advanced economies to poorer countries.

One can add to this mix the isolationist strand of American politics – embodied by Malpass, a Trump appointee – combined with a desire to undermine President Joe Biden by creating one more problem for an administration facing so many other challenges. And then there are the normal personality conflicts.

But political intrigue and bureaucratic rivalry are the last things the world needs at a time when the pandemic and its economic fallout have left many countries facing debt crises. Now more than ever, the world needs Georgieva's steady hand at the IMF.

JOSEPH E. STIGLITZ

envoyé : 23 octobre 2021 à 11:42

de : Daniel Coyaud <dancoyaud@orange.fr>

à : BANETH <jean.baneth@wanadoo.fr>

objet : TR: Fw: Open letter to the World Bank Board from retirees on the WilmerHale report Inbox

De : mich.bailly [<mailto:mich.bailly@gmail.com>]

Envoyé : 2 oct. 21 16.05

À : Armand de Largentaye; Isabelle Lafourcade; mich.bailly@gmail.com

Cc : mich.bailly@gmail.com; paulisenman@aol.com; christian Merat; Daniel Coyaud; levourch@escp-eap.net; Jacques Coudol; Franck Phelip; Armelle Faure; Isabelle LAFOURCADE; Cristina Mejia Larane

Objet : Re: Fw: Open letter to the World Bank Board from retirees on the WilmerHale report Inbox

Armand ,je suis.entierement d accord avec toi. Je n'ai pas.repondu à la demande de.signature ,la lettre de soutien me paraissant incomplète et ne défendant pas Georgina .

J'ai du défendre. Doing business a mon corps défendant en 2003 DEVANT LES AUTORITES FRANÇAISES critiquant la 38eme place française , le ministre de.la justice de l'époque et le bâtonnier de Paris critiquant la méthode du rapport (pour certains indicateurs) qui ne prenait pas en compte la différence d approche entre le droit continental(Europe) et le droit anglo saxon , et nous ayant convoqués , l'auteur du rapport et moi.

Ce rapport est devenu une bible pour certains et ne le mérite pas .

J espère que Stiglitz et Shanta seront entendus.

Amitiés à.tous .

Michèle Bailly.

Envoyé depuis mon appareil Galaxy

----- Message d'origine -----

De : Armand de Largentaye <armand@largentaye.org>

Date : 02/10/2021 11:04 (GMT+01:00)

À : Isabelle Lafourcade <ilafourcade@yahoo.com>

Cc : paulisenman@aol.com, christian Merat <christian-merat@wanadoo.fr>, Daniel Coyaud <dancoyaud@orange.fr>, levourch@escp-eap.net, Jacques Coudol <jfcoudol@gmail.com>, Michele Bailly <mich.bailly@gmail.com>, Franck Phelip <franck.phelip@gmail.com>, Armelle Faure <armelle.faure@wanadoo.fr>

Objet : Re: Fw: Open letter to the World Bank Board from retirees on the WilmerHale report Inbox

J'hésite à signer cette lettre au vu notamment de la [tribune de J. Stiglitz](#). et de la réaction rapportée de Shanta Devarajan. Je suis intéressé de connaître la position des membres du conseil de notre Société 1818.

Amitiés,

Armand

Le mer. 29 sept. 2021 à 16:38, Isabelle Lafourcade <ilafourcade@yahoo.com> a écrit :

De la part de Olivier Lafourcade

----- Message transmis -----

De : Olivier Lafourcade <olivierlafourcade@yahoo.com>

À : Isabelle Lafourcade <ilafourcade@yahoo.com>

Envoyé : mercredi 29 septembre 2021, 16:12:19 UTC+2

Objet : Fw: Open letter to the World Bank Board from retirees on the WilmerHale report Inbox

Chers amis,

Vous avez sans doute entendu parler, ou lu des articles récents sur la question concernant la publication de la Banque intitulée Doing Business. La presse fait état de pressions d'ordre politique pour faire modifier le classement de pays proposé par ce document. La Directrice du Fonds monétaire internationale est mise directement en cause pour son rôle présumé dans cette affaire lorsqu'elle était alors Managing Director de la Banque.

Comme vous le verrez ci-dessous, l'initiative a été prise par plusieurs ex-collègues d'adresser une lettre aux membres du Conseil d'Administration de la Banque, manifestant la grande préoccupation de la part des anciens de la Banque devant un problème sérieux mettant en doute la légitimité des publications de la Banque.

Vous êtes invités à participer à cet effort collectif. Chacun d'entre vous décidera s'il lui paraît souhaitable d'appuyer cette initiative. J'ai moi-même signé la lettre. En cas de réponse positive, je vous invite à répondre directement à Ioannis Kessides dont vous lirez le message ci-après.

Avec mes très amicales salutations

Olivier Lafourcade

Président Association 1818 France

Paris

PS. Ce message vous est envoyé par l' email de mon épouse Isabelle (qui a le listing des membres de notre association). Prière d'adresser vos commentaires éventuels directement à Olivier Lafourcade: olivierlafourcade@yahoo.com

----- Message transmis -----

De : Ioannis Kessides <ioannis.kessides1@gmail.com>

Envoyé : samedi 25 septembre 2021, 17:32:37 UTC+2

Objet : Open letter to the World Bank Board from retirees on the WilmerHale report Inbox

Dear fellow WB retiree,

The open letter below to the World Bank Board is in response to the findings of the attached September 15, 2021 WilmerHale report "Investigation of Data Irregularities...". The letter was drafted in consultation with several former Bank colleagues.

Please let me know if you would like to add your name to the list of signatories. If you respond affirmatively, please confirm that you are a World Bank Group retiree and indicate the precise spelling of your name.

A copy of the letter with all the signatories' names attached will be sent to the Bank's Board.

Best regards,

Ioannis Kessides

Former DECRG Lead Economist

(Apologies if you have received this email more than once)

Open letter to the World Bank Board from retirees on the WilmerHale report

We the undersigned World Bank Group (henceforth: Bank) retirees believe that the findings of the September 15, 2021 WilmerHale report, "Investigation of Data Irregularities..." have generated unprecedented reputational risks for our institution. These findings must be addressed by the Bank's Management and Board with decisive and substantive action to restore public confidence that the Bank's data and resulting statistical products are free from political and strategic manipulation. Otherwise, public trust in our institution's operations, practices, and policies will erode. And the fundamental principle of mutual accountability that has governed the relationship between our institution and its member countries will be seriously jeopardized.

Recognizing the tremendous potential of data to transform the lives of poor people, the Bank has become an important global development statistics agency. The data collected and the resulting indicators produced by the Bank are an important and vital resource for global economic analysis and the design of evidence-based policy. They are a vital anchor of the Bank's country policy dialogue and economic reform programs, lending, and associated policy conditionalities. And they are also being quoted on a daily basis by the global press and policy analysts.

The Bank has supported state-of-the-art science to ensure the accuracy of its statistical databases. As a result, the Bank has achieved a high degree of respect for its role as a global storehouse of development statistics. However, to maintain such institutional effectiveness and credibility the development indicators and statistical products must be free from political preclearance and interference. The findings of WilmerHale, a premier law firm, point to a multiplicity of actions by the Bank's former CEO Georgieva, the office of President Kim, and senior advisor Djankov, pressuring staff to make statistical adjustments for political and institutional advantage. These actions as described represent gross abuse of management oversight authority. And it is our belief that their damaging consequences for our institution's credibility, integrity and effectiveness cannot be overstated.

What is at stake does not pertain only to the Doing Business (DB) report, but to all the Bank's activities that depend on accurate and credible data. Equally concerning will be the likely reaction of the traditional critics of the Bank's aid programs. In voicing their opposition to any increase in multilateral funding, and more generally skepticism of the Bank's performance as a global development agency, those critics might opportunistically refer to the findings of the WilmerHale report.

The Bank Management's response of discontinuing the DB report is neither adequate to the credibility problem that has emerged nor is it appropriate. The DB has become widely used and relied upon globally. Abolishing it would seem to imply that the Bank has lost confidence in its ability to safeguard its policy reports and statistical products from political manipulation and bias.

The findings of the WilmerHale report, especially as they relate to the conduct of Georgieva, the office of President Kim, and senior advisor Djankov, appear very grave. Unless these findings are contradicted by further credible evidence, we urge the Board to: (i) issue a formal resolution strongly condemning those individuals' actions; and (ii) direct Bank Management to undertake all necessary steps and implement all safeguards to ensure that the behaviors identified in the report, which constitute a form of institutional corruption, will not be tolerated, or permitted to occur in the future—for any Bank products.

Confidential