

INTERNATIONAL Herald Tribune

THE WORLD'S DAILY NEWSPAPER • PUBLISHED BY THE NEW YORK TIMES EDITED IN PARIS AND HONG KONG • PRINTED IN THE U.S.

TUESDAY, MAY 31, 2005

The World Bank

By Jeffrey E. Garten

Farewell, Wolfensohn

NEW HAVEN, Connecticut

James Wolfensohn is retiring as president of the World Bank on Tuesday after a decade on the job. Much of the attention, understandably, has focused on his successor, Paul Wolfowitz, the former United States deputy secretary of defense. Yet it's also important to recognize the many achievements of Wolfensohn's long tenure at the top of one of the world's most complex institutions. His time there was not without flaws or controversies, but I believe that historians will give him very high marks.

From the start, Wolfensohn faced several monumental challenges. The sheer scope of global poverty is daunting, with more than two billion people living on less than \$2 a day. At the same time, Wolfensohn had to contend with multiple demands from the governments that constitute the shareholders and clients of the World Bank.

These governments had broad expectations. They wanted the World Bank to help countries affected by the Asian financial crisis of the late 1990s. They asked Wolfensohn to take the lead in reconstructing Bosnia and other countries devastated by war. They expected the World Bank to assist in recovery efforts after natural disasters. And they expanded its priorities to include stopping the spread of HIV, stemming drug trafficking and corruption, and providing policy advice in areas like corporate governance.

Wolfensohn's critics have accused him of moving in too many directions at once, though it's not clear that he had a choice, given the pressure from the United States and others to extend the bank's activities. It is true that he had a voracious appetite to take on new, high-profile tasks. Still, over the years, he developed an overarching mission for the institution on which everything else hinged: fighting poverty. Wolfensohn came to believe — quite rightly — that this tragic human condition had to be tackled in a holistic fashion that was at once economic, social and political.

Wolfensohn can claim several key accomplishments as a manager. He got poor people involved in the designing and running of projects. "Development must not be done to them, but by them," he once said.

When Wolfensohn arrived at the World Bank, virtually all the staff members lived in Washington. Today, they're based all over the world, closer to the people they're trying to help. Wolfensohn brought the bank into the Internet age and used sophisticated distance-learning techniques to give officials from developing countries access to outside knowledge and experience. He also set up new tools to evaluate the success or failure of every project.

He developed extensive ties between the World Bank and nongovernmental organizations where none existed before. And he was the first president to build effective partnerships with international institutions like the UN Development Program and international corporations like British Petroleum.

Lastly, he kept two flames burning even as the Bush administration pursued very different priorities. The first was the need to reduce global poverty. The second was the importance of building strong multilateral institutions in an era of intensifying globalization.

Some critics have asserted that he was impatient, pugnacious and egotistical. I have no way of knowing if he was. But certainly many a successful global leader confronting colossal challenges could have been described in similar terms.

I recently asked Wolfensohn to identify the highs and lows of his 10-year stewardship of the World Bank. They both occurred in 2004. He was elated at a conference in Shanghai that focused on ways to transfer the lessons of hundreds of successful microdevelopment projects from one country to another and then expand them. The meeting made him optimistic that huge swaths of poverty could be eliminated more rapidly than previously thought.

But a few months later, he found himself in a small village in Madagascar. Six children, all sick and emaciated, walked up to him and just stared. There are still millions of young people like this, he thought.

Wolfensohn will be a hard act to follow. Let us hope that his successor maintains the antipoverty mission that Wolfensohn so clearly articulated and that he has the equivalent intellect, drive, passion and near maniacal devotion to the job. The world desperately needs it.

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