Farewell to Ms. Lissakers

Friday, April 13, 2001

Friday 13th is traditionally unlucky for some, and today it is certainly unlucky for us. For we have the sad task this morning of bidding farewell to Karin Lissakers after seven-and-a-half years as Executive Director for the United States. It is always a shame to say goodbye to a valued friend and colleague, but especially someone who has done so much to help the Fund tackle the many challenges it has faced during her tenure.

Addressing these challenges has required the Fund to re-examine its role and transform itself, to respond to the new realities brought on by globalization and its consequences. To this end, Karin encouraged us to rethink the way we do things at the Fund. It is in no small measure thanks to her contributions that the institution she leaves is more open, more engaged in the international financial markets, more creative in its policy advice, and yet more focused on its core mandate, than the one she joined.

Karin came to the Fund with an impressive academic background and experience in government. After earning an M.A. in International Affairs from Johns Hopkins' School of Advanced International Studies, she served, first, as a congressional staff member, and later, in senior policymaking positions in the U.S. government. Notably, she was Deputy Director of the Policy Planning Staff at the State Department, with responsibility for economic affairs. She was also Director of the International Business and Banking Program at Columbia University's School of International and Public Affairs. Her writings include a searching examination of the role of reckless lenders, irresponsible governments, and slipshod regulators in the international debt crisis of the 1980s—an analysis that had clear relevance in the recent emerging market financial crises.

Given this background, it is not surprising that she has had a special interest in intensifying the Fund's financial sector work - a key outcome of the recent crises. Karin also advocated a stronger focus on good governance, reliable institutions, and the use of vulnerability indicators, with a focus on crisis prevention. She has stressed the importance of standards and codes, and helped shape the Fund's approach to involving the private sector in crisis resolution. Her emphasis on these areas has helped sharpen our focus on financial sector issues and strengthen our ties to international financial markets.

Karin has also championed the principles of transparency in economic policymaking, both at the national and international levels. She has insisted that the free flow of information and an open dialogue with the public and market participants would help prevent crises by reducing the possibility of—in her words—"unpleasant surprises." In this, as in many other issues, she was "ahead of the curve". But, as she constantly reminds us, there is more to do, even among industrial countries and in the Fund itself.

Karin has always been keenly aware that the tremendous success of the US economy during her time at the Fund stands in sharp contrast to the deep poverty that persists in many other parts of the world. Although she alerted us to possible shortcomings in the process, she was an effective advocate of debt relief through the HIPC Initiative. While emphasising weaknesses in the tracking of poverty-reducing spending and the dangers of sacrificing quality for speed, she encouraged countries to implement measures to minimize those weaknesses and ensure the success of their efforts. Similarly, on conditionality, she cautioned that our review should not be a mere numbers game, focused on reducing the structural conditions included in programs. Rather it should be tailored to achieving results in specific cases and circumstances. Let us not "throw the baby out with the bath water," she cautioned, with characteristic directness.

Karin is certainly known for her directness and sometimes provocative interventions. But they are always delivered with friendliness and humor. She has certainly never been shy of challenging staff and Management, whenever she thought Fund-supported programs were insufficiently ambitious - on one occasion dismissing a program as "ESAF-lite".

She has also been frank in her comments to fellow executive directors. When a European colleague suggested that the ECB representative sit in on a board discussion of the US, she once memorably asked: "Doesn't the EU have enough members on the Board *already* to ensure full coverage of the US economy?"

Karin has helped shape the evolution of the Fund in many ways, but perhaps most memorably in the unlikely area of office supplies. In 1998 she wrote an exasperated memo about the quality of the Fund's standard-issue pens and inadvertently e-mailed it to everyone in the institution.

"Can someone please explain why the IMF cannot get decent ballpoint or rollerball pens out of its office equipment suppliers?", she wrote. "I am tired of picking up pen after pen that skips, leaks, and generally performs suboptimally! I would like an answer from someone. And, more importantly, I want a better pen."

This prompted a blizzard of e-mail traffic, first responding to Karin's lament and then escalating to complaints about the quality of everything from the coffee in the cafeteria to the showers in the fitness center. The responses were all copied institution-wide and the huge volume of messages soon brought the Fund's e-mail exchange server to its knees - severing communications between headquarters and many of our Resident Representatives in the process. Eventually Uli Baumgartner had to send a Fund-all e-mail calling a halt to this early experiment in PRSP-style participatory consultation.

But Karin's campaign was a triumphant success. TGS lifted the rules restricting Fund employees to low-tech writing implements. As a result we are now allowed to order such exotic items as flex-grip ballpoints, gel impact pens, transparent markers, milky gel sticks, and even something called a "liquid espresso porous point pen". And with these available in purple, brown, fuchsia and gold ink versions, Karin will go down in history as one of the few people to advance the cause of colorful writing in the Fund.

Several of Karin's colleagues have noted, with great appreciation, that she spoke not only as a loyal servant of the Administration she served, but also with a genuine interest in the issues the Fund was involved in, and a deep commitment to securing outcomes that were in the global interest. "We are all passengers on the same plane," she said. I know many of you appreciate her spirit of flexibility and collegiality, and – in the fine tradition of the Board – her wish always to find a basis for constructive compromise.

Representing one's country in the Board is only part of an Executive Director's job. The other, of course, is representing the Fund in your country. While Karin saw opportunity in the complaints of detractors in Congress and protesters in the street to make the Fund more accountable, she also vigorously defended the the institution to its critics—working, for example, to convince Congress to approve additional financing and the use of the Fund's gold to help pay for debt. That was not an easy task.

Karin, whatever you decide to do in the future, I know that you will continue to influence the Fund and speak up for the institution in the public arena. In leaving the Fund today, you take with you the respect and admiration of all of those who worked with you. We thank you for your contribution and wish you and your family all the best in the future.

And now let me go off the record to mention another – secret – achievement of Karin's during her time at the Fund: the righting of an historic injustice.

All of you probably noticed a few weeks ago the mysterious arrival in the Board Room of the busts of our two founders, John Maynard Keynes and Harry Dexter White. Originally destined for the Board Room, these busts had long been excluded because of the allegations – still lingering, but unproven – that White (who led the US delegation at Bretton Woods) was in fact a spy for the Soviet Union.

It would always be awkward for the US Treasury to formally give White the benefit of doubt, so the hiatus between the departure of Mr Summers' team and the arrival of Mr O'Neill's offered a window of opportunity to put White and Keynes in their rightful place without causing embarrassment. So after having these elegant plinths made, we snuck in after close of business one Friday evening and put our founders where you see them now.

All this was Karin's idea – but that will have to remain our secret.