Need to clean up the World Bank and IMF

What is the issue?

Selection of heads of the Bretton Woods institutions, the World Bank and International Monetary Fund (IMF) has been a dismal failure.

What are the concerns with cherry picking of appointments?

- **Dual monopoly selection procedure** - Only an American can head the Bank and only a European can head the IMF results in western powers sharing the spoils.
- **Personal integrity** - The personal integrity of the heads has been questioned because of the recent revelations of misconduct at the World Bank to make at least two major countries China and Saudi Arabia look better.
- **Credibility of policy messages** - The heads often go around the developing world preaching the virtues of good governance but the credibility is affected if the carriers themselves are compromised.
- **Accountability** - International institutions operate in a grey zone of neither clearly being in or outside the realm of formal politics and hence have weaker mechanisms of accountability.
- **Rise of China** – China is attempting to place its own nationals in existing IOs both for prestige and to pursue its national interests.
- Its own nationals now head four of the 15 UN specialised agencies raising deep concerns, most notably the suppression of the inquiry into the origins of the corona virus.
- **Shaping the global order** - The contest between the West and China to shape the global order is becoming obvious.
- The US neutering of the World Trade Organisation's Appellate Body under both Trump and Biden administrations is another recent example

What does this call for?

- Global political leaders convening next week must open up selection of heads of these institutions to the best candidates, regardless of nationality.
- To clear up the current mess, David Malpass and Kristalina Georgieva, the

current heads of the Bretton Woods institutions have to answer a lot regarding Doing Business saga.

Source: The Indian Express

