

**The United States and the International Financial Institutions: Power And Influence
Within the World Bank and the IMF**

by

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The United States enjoys a special position in the International Monetary Fund (IMF) and the World Bank. When the institutions were created, their structure, location, and mandate were all pretty much determined by the United States.¹ The United States had just over a third of the voting power in each institution.² No drawing from the IMF was approved without US agreement first being made clear.³ These observations suggest that the US was set to play a dominant role in the institutions.

Yet neither the Fund nor the Bank can be cast as a mere instrument of US policy. To some extent the institutions were created in order to propound and enforce US-supported aims and policies around the world. It is also true that the Fund and the Bank exist because their ‘neutral and apparently technical advice may be less offensive to national sentiments than direct intervention by the United States’, in the case of the World Bank ‘sparing the USA the unsavory epithets of . . . “aid with strings”, “arm-twisting political pressures” etc.’.⁴ However, if the organizations had absolutely no autonomy, they would be redundant, for they would have no greater legitimacy or mobilizing power than government agencies of the US.

The very creation of multilateral organizations reflects the fact that, in order to propound a vision of the global economy, the participation of a large number of states in the world is required. Such participation in turn requires that a wide range of countries believe in the institutions’ legitimacy: that they perceive the institutions to proffer a particular technical expertise as well as a certain degree of independence, a genuinely international character, and actions which are rule-based rather than reflecting US discretionary judgements.

Susan Strange once described multilateral institutions serving either as ‘instruments of the structural strategy and foreign policy of the dominant state or states’ or to provide necessary public goods: ‘allowing states to enjoy the political luxury of national autonomy

without sacrificing the economic dividends of world markets and production structures.⁵ The IMF and the World Bank doubtless do some of each. In more modern parlance, their activities are circumscribed by their most powerful members, just as realists would predict. However, as institutionalists stress, within these constraints both institutions provide global public goods and for this purpose states have to delegate to them some degree of autonomy.⁶

There are obvious costs—even if they do not equal the benefits—to the United States of participating in multilateral institutions. Once a powerful state creates an institution and a set of rules which serves its overall interests, it has to show itself willing to subject itself to those rules even when they do not further its interests if the institution is to retain legitimacy and usefulness. That said, powerful states sometimes avoid this restraint by making sure that rules are ambiguous in precisely the areas where they expect to run into difficulties; one example is the way in which the IMF's adjustment rules for key currencies were written.⁷ Overall, however, a structure of rules and restraints is the essential distinction between a multilateral 'rule of law' and a simpler form of power politics in which 'might is right'.

The incoming administration of President George Bush, Jr quickly learnt the practical implications of this difference in respect of the IMF and the World Bank in the sixth months after June 2001. In that month the new Secretary of the Treasury Paul O'Neill was quick to express the administration's hostility towards the multilateral institutions, declaring that 'the IMF, the World Bank and the regional development banks have spent hundreds of billions of dollars to reduce poverty and address financial crises around the globe . . . Visit some of the poorest nations in the world and you will see that we have too little to show for it'.⁸ However, after pushing the IMF to bail out Argentina in August 2001, the new administration soon discovered that 'markets had increasingly begun to look through the IMF to the US Treasury as the decisive decision maker' and this was going to prove very costly to them. Rather than being seen to push the IMF around, the Treasury soon announced: 'We believe that the Fund's success is essential to stability in the international economy, and we wanted to make sure that we did not undermine its credibility.'⁹ Taking some distance from the institutions was necessary if the US was to enjoy the benefits of the rule-based system that they embodied.

It bears noting, however, that powerful states usually face choices in respect of multilateralism. They can opt to use different forums or alternative institutions to achieve particular purposes and thereby also weaken the potential autonomy of the international

financial institutions. This was starkly demonstrated in the 1970s, when the United States turned not to the IMF but to a small group of industrialized countries—the Group of 7 and the Group of 10—in order to foster cooperation which would stabilize the world economy. The result was to marginalize the IMF from the process of global cooperation, to undermine US domestic support for the institution since it no longer seemed essential to US interests, and to highlight to all other members and officials of the IMF that the organization’s status and role in the world economy would depend upon the uses to which the United States would put it. In this context it was unsurprising that the management of the IMF seized, with some alacrity, the chance to take a central role in the Latin American debt crisis in the early 1980s.

In summary, the international financial institutions have a close relationship with the United States which creates tensions for themselves since they must both please their most powerful political master and at the same time maintain their independence and credibility both as technical agencies and as multilateral organizations. In order to be effective, the institutions need to be perceived by their member countries as legitimate multilateral organizations, pursuing internationally determined objectives in a rule-based way. They need recognized credibility and expertise in economic policy based on the scope and depth of their research. In order to enjoy this legitimacy, they also need a visible degree of political independence from interference by the United States—or, indeed, any other major power or bloc such as the European Union.

This poses two questions. First, how much influence does the United States wield in the institutions and through what mechanisms? Second, seen from the opposite perspective, what features of the institutions give them relative autonomy from the United States? The dominant tendency in political science is to say little about the potential and actual sources of influence on the part of the United States, especially as these are exercised informally, nor to examine the actual degrees of autonomy and relative independence that international institutions such as the IMF and the World Bank enjoy, as exhibited in their actual practices.¹⁰

5.1. Analysing the Formal and Informal Structures of Power in the Institutions

The terms ‘influence’, ‘dominance’, ‘independence’, and ‘autonomy’ have all been used up until this point without definition. For the purposes of this chapter, ‘influence’ refers to the

capacity of one actor to modify the behaviour of another. As Cox and Jacobson argued some time ago, influence differs from power in so far as the latter refers to capability or ‘the aggregate of political resources that are available to an actor’. Power *may* be converted into influence, but not necessarily and not to its full extent. The interesting question is therefore to explore the sources and mechanisms through which power is translated into influence.¹¹ ‘Dominance’ refers to the influence of one actor relative to all others in a system or regime: in other words, the most influential actor or the player exercising ‘commanding influence’ over all others.

‘Independence’ characterizes an actor or organization which is not constrained by external forces. Just as ‘independent’ is used to describe schools or institutions which are self-governing and not supported from public funds, likewise in multilateral organizations a dependence on public funds—from member governments—and political control exercised by member states curtail independence. For this reason, an analysis of the ‘autonomy’ or capacity to act independently of any multilateral organization is more truthfully an examination of relative autonomy.

‘Relative autonomy’ refers to the extent to which the organization is not entirely dominated by its most powerful member or members. An example of such ‘autonomy’ in the IMF is the frequently cited ‘substantial autonomy’ enjoyed by the staff in the design of lending programmes. In some countries the Fund operates fairly independently of the voice or influence of its most powerful shareholders, in others less so.

How might we rigorously trace the degree of influence exercised by the United States within the institutions? Four characteristics of each organization stand out as particularly important (see Table 5.1).¹² These characteristics serve to highlight both formal and informal channels of influence.

The first is: *how is the organization financed?* What proportion of the core budget is paid by the United States? Equally importantly we need to examine by what means the institution can acquire additional resources for special purposes and whether or not US approval, and more specifically Congressional approval, is required for such payments and, if so, how regularly.

A second important characteristic of the organizations is what shapes their *use of resources*, or, put another way, how much influence the US exercises over the lending and operational decisions taken by the institutions. Legally, both the IMF and the World Bank are

governed by articles of agreement which do not permit political considerations to be taken into account. In practice, however, political pressures have played a key role in determining who has access to their resources and on what terms. The influence of the US is illuminated by examining the formal requirements for US approval, the informal processes whereby US approval is sought, and the extent to which the pattern of lending from the institutions reflects US priorities.

A third set of characteristics which may reveal US influence concerns the *staffing and management* of the institutions: the composition of the staff in terms of nationality and training, the need for US approval—whether sought formally or informally—and the relationship between the prevailing training and mind set of the staff and US interests.

A final set of considerations concerns the *representative and deliberative functions* of the organizations, and *how their mandate is formulated*. In tracing the US influence on these processes one needs to examine who is represented and with what voting power, the rationale for the existing structure of representation and the role of the US in shaping it, the requirements for change, and to what extent formal decision-making rules are overridden by informal conventions and norms.

(Table 5.1 near here)

It bears noting that each of the IMF and the World Bank is governed by executive boards comprising representatives of member governments. However, countries do not enjoy equal representation (see below). Furthermore, representation within the international financial institutions is much narrower than the terms ‘member states’ and ‘international officials’ suggests.¹³ All representatives are drawn exclusively from the treasury, central bank, stabilization fund, or other similar fiscal agency; and, likewise, the Fund and the Bank work only through these agencies in their dealings with member countries.¹⁴ The result is a system in which there is a significant shared mind set between Fund officials and their interlocutors in member countries, many of whom have themselves spent time as Fund and Bank officials. In a subtle way, this point is underscored by a remark in *External Evaluation into IMF Surveillance*, where the evaluators found that ‘the most favourable appraisals came from those whose lines of work bore close similarities to the Fund’s—central banks, and, to a lesser extent, finance ministries’.¹⁵ Rather more acidly, Susan Strange wrote in the 1970s of

the Fund operating as a ‘nursery for monetary managers, producing a worldwide old boy network of officials susceptible to its influence’.¹⁶

Within the United States, the relationship with the Fund and the Bank is complicated by domestic political arrangements. The Treasury formulates and implements virtually all policy towards the IMF, while the State Department has more input in policy towards the World Bank. However, other agencies, and most particularly the US Congress, bring significant pressure to bear on the government positions, both through direct relations with the IMF and the World Bank and through indirect pressure on the Treasury and State Department officials. Some would argue that the US gains in leverage from the uncertainties created by this system of checks and balances, by putting US officials in a position to wield the threat of an intransigent Congress in order to leverage their preferred terms. However, on some issues Congress has placed a real constraint, thereby reducing the scope of the preferences of the Treasury and State Department.

Finally, in deliberations within, and at the doors of, the international financial institutions, the 1980s saw a rapid increase in the participation of non-state actors. Both institutions have for a long time consulted with independent advisers and the financial sector. In the 1990s, both the Fund and the Bank began more actively to engage with non-governmental organizations. This change in the scope of deliberations, as well as the narrow field of representation, raises a further question as to whether or not this has enhanced US influence.

5.2. The US and the Financing of the IMF and the World Bank

In most of the organizations of the United Nations, the United States has shown a willingness, indeed even a determination, to withhold funding in order unilaterally to impose conditions on the organization.¹⁷ In theory, however, this is not possible in the IMF and the World Bank. Unlike the UN, these organizations do not depend for their core funding on annual subscriptions or levies from members. Nevertheless, the contribution of the United States to the financing of these institutions gives it substantial influence, and changes within the organizations have further magnified that influence.

In the IMF, the United States contributes 17.67 per cent of the capital subscriptions which are the institution’s primary source of financing.¹⁸ This gives the United States 17.33

per cent of votes on the Executive Board. Although this is not a majority of votes, it nevertheless gives the United States power to veto major policy changes which require an 85 per cent majority of votes.¹⁹ Normally, all US policy in the IMF is formulated within the US Treasury, since Congressional approval is not required for a continuation of US subscriptions to the institution.

US influence within the IMF, however, is greatly enhanced by the institution's need to increase its resources. At least every five years the quotas determining contributions to the Fund are reviewed and any increase requires an 85 per cent majority of votes on the Executive Board and hence US approval. Furthermore, within the United States an increase in resources allocated to the IMF requires Congressional approval. For this reason, at each quota review the Fund is subjected to particular scrutiny by the United States—and pressure from it. Over the 1990s, the Congress attempted to influence Fund conditionality over issues such as worker rights, the role of the private sector, human rights, and military spending.²⁰

Most recently, in negotiations over the US share of a 45 per cent increase in Fund quota—agreed by the Executive Board in September 1997—the US Congress established an International Financial Institution Advisory Commission—the ‘Meltzer Commission’—to recommend future US policy towards the IMF as well as the World Bank and other multilateral economic organizations.²¹ The Commission took a different line from the US Treasury on many issues. Indeed, the Final Report of the Commission launches several attacks on the US Treasury and its policy towards the IMF: accusing Treasury of ‘circumventing the Congressional budget process’ by using the Exchange Stabilization Fund to assist Mexico in 1995; of ‘commandeering international resources to meet objectives of the U.S. government or its Treasury Department’; and of leading the initiative to create contingency credit lines in the IMF which were ‘so poorly designed that, to date, no country has applied’. In these attacks, the Commission’s report highlights differences of view which exist not only among scholars but equally within the US government. The question that exercises us here is: do these differences diminish US influence in the IMF? It is not obvious that they do. And for all their differences, the US Treasury and Congress are unified by the belief that the United States can and should set down terms and conditions for the multilateral economic institutions—as indeed the Final Report of the Meltzer Commission does.

A recalcitrant Congress may even enhance and magnify US influence in two ways. First, it has created a separate and additional channel of communication with the Fund and

the Bank (more on the World Bank below): indeed, one of the first acts of the new Managing Director of the IMF appointed in 2000 was to meet with the head of the Meltzer Commission to discuss the recommendations that had been made in the latter's Final Report. Second, the fact that everyone is aware that a feisty US Congress needs to be brought on board can give the US Treasury and its officials within the IMF extra leverage and a credible threat to hold over other shareholders and Fund officials.

The financial structure of the World Bank is somewhat different from that of the IMF. In the IBRD, the main arm of the World Bank, the United States contributes 16.98 per cent of the capital stock which the Bank uses as a basis for raising money in financial markets, by selling AAA-rated bonds and other debt securities to pension funds, insurance companies, corporations, other banks, and individuals around the world. Assisting the Bank in accessing resources are the guarantees provided by member states—which have never been called upon—which permit the Bank to borrow at the lowest market rates available 'applying the sovereign credit of its rich shareholders—in the form of their capital guarantees of about \$90 billion—to market borrowings, \$110 billion of which remained outstanding as of 1995'.²²

For these reasons, unlike the IMF, the World Bank does not rely directly on contributions from its member governments to fund its activities. Indeed, the paid-in capital subscriptions of member governments contribute less than 5 per cent of the Bank's funds, a proportion which is diminishing over time.²³ Nevertheless the US subscription gives it 16.52 per cent of votes on the Bank's Board and a veto over policy decisions requiring an 85 per cent majority, as in the IMF. Furthermore, like the IMF, the World Bank has become susceptible to more direct US influence as its activities and resources have expanded.

In 1960, a new facility was opened in the World Bank—the International Development Association (IDA)—which gives loans at highly concessional rates to poorer developing countries. The funds for the IDA are donated by governments whose agreement is required for periodic replenishments. As a result, the IDA has opened up a new channel through which the Bank can be directly influenced by its wealthier government members, and in particular the United States. The relationships between the US, the IDA, and the World Bank are worth examining.

The US contributes 20.86 per cent of IDA funds, with the next largest contributors being Japan at 18.7 per cent, and the United Kingdom and France each at 7.3 per cent.²⁴ On the basis of these figures one would expect some degree of US leverage within the IDA itself.

However, US influence exerted through IDA replenishment negotiations has gone further. Even though the IDA itself accounts for only about 25 per cent of IBRD/IDA total lending, there have been several instances where the US has used threats to reduce or withhold contributions to the IDA in order to demand changes in policy, not just in the IDA but in the World Bank as a whole. For instance, during the late 1970s the Bank was forced to promise not to lend to Vietnam in order to prevent the defeat of IDA 6, and in 1993, under pressure from Congress, the US linked the creation of an Independent Inspection Panel in the World Bank to IDA 10. As one writer puts it: ‘with the Congress standing behind or reaching around it, the American administration was disposed to make its catalogue of demands not only insistent but comprehensive on replenishment occasions.’²⁵

The ‘US’ in the context of the IMF and the World Bank describes pressures coming both from the Executive—through the State Department—and from the Congress. We have now seen that, in both the IMF and the World Bank, both arms of the US government have been involved in shaping policy. Further strengthening overall US leverage in IDA replenishment negotiations has been a condition which was applied during negotiations on IDA 5: that all other members could reduce their own contributions pro rata by any shortfall in US contributions.²⁶ Whilst this pro rata provision ensures an evenly shared burden across contributors, nevertheless it also magnifies the impact of any US threat to diminish its contribution: for if the US does so, all other contributors can follow suit.

A final note worth making about political influence within the World Bank group concerns the increase in the use of co-financing and trust funds in the Bank.²⁷ By the financial year 1999, these arrangements had come to take their place amidst World Bank disbursements to the following tune, reflecting a 17 per cent increase in trust fund disbursements (see Table 5.2):

(Table 5.2 near here)

Both trust funds and other forms of co-financing give a much more direct control over the use of resources to donors whose Trust Fund Administration Agreement with the Bank governs how the funds are used.²⁸ It bears noting, however, that this does not mean that Trust Funds have become a conduit of exclusively US influence. Indeed, the United States’ contribution in 1999 was less than those of the Netherlands and Japan, and it is not a

contributor to the HIPC Trust Fund—the Bank’s largest—which means it does not exercise influence over that fund.²⁹ Overall, however, the growth of trust funds and co-financing arrangements signals an increase in bilateral and selectively multilateral control over Bank lending.

In summary, the financing of the IMF and the World Bank has opened them up to US influence in spite of their potential autonomy from this influence. Each time an increase in IMF quotas or a replenishment of the Bank’s IDA has been negotiated, the Congress has used the opportunity to threaten to reduce or withhold the funds, being yet more prepared than even the Executive agencies—Treasury and StateDepartment—to set down special preconditions for US contributions. As a result, other shareholders and officials within the institutions have grown used to placating not just the powerful Departments of State and Treasury, but also the feisty US Congress. The overall result seems to have enhanced the capacity of the United States unilaterally to determine aspects of policy and structure within both the IMF and the World Bank.

5.3. The US and Lending Decisions of the IMF and the World Bank

In theory the United States should have no political influence over the lending decisions of the IMF or the World Bank. Both institutions make loans to countries ostensibly where members have satisfied technical considerations set out in their articles of agreement. Indeed, political influence over their activities is prohibited, as set out unequivocally in the World Bank’s articles of agreement: ‘The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I.’³⁰

Yet the record of lending from both institutions strongly suggests a pattern of US interests and preferences. Indeed, right from the early days of the IMF ‘the US voice in the Fund was decisive . . . The practical question in those years, in any prospective large use of Fund resources, was whether the United States would agree—and the answer was usually obtained by direct inquiry’.³¹

The seemingly direct influence of the United States poses the question as to what ends

and how this influence is exercised. Let us deal first with the question of ends. It has often been asserted that the IMF makes loans according to the size of a country's debt and its strategic importance to the United States and other major shareholders, as well, of course, as its economic position. For example, Susan Strange asserted in the 1970s that 'Without its ever being stated in so many words, the Fund's operational decisions made its resources available neither to those in the greatest need nor to those with the best record of good behaviour in keeping to the rules, but paradoxically to those members whose financial difficulties were most likely to jeopardize the stability of the international monetary system'.³² However, in a recent statistical analysis of IMF lending Strom Thacker argues that special treatment by the IMF may well be due more to political factors than to the size of debt. One must ask, however, whether his depiction and measurement of political factors is plausible.³³

Thacker sets up a simple macroeconomic model to test two hypotheses about political influence over IMF lending to developing countries in 1985–94, on the assumption that the United States plays the role of principal in the organization. The first hypothesis tested is that the Fund lends to friends of the United States: the 'political proximity' hypothesis. The second hypothesis tested is that IMF loans are used to reward friendly overtures towards the United States and are withheld in order to punish unfriendly behaviour: the 'political movement' hypothesis. In order to test these factors econometrically, Thacker uses voting patterns on 'key votes' in the UN General Assembly as measures of political alignment and movement.

Thacker's results lend stronger support to the 'political movement' hypothesis: that realignment towards the United States improves a country's chances of receiving a loan regardless of the starting position. Statistically this proved stronger in his tests than the simpler 'political proximity' hypothesis, at least until the end of the cold war (1985–9). Since the end of the cold war, however, both hypotheses seem to hold. Thacker interprets this as evidence that the United States is 'playing the realignment game as vigorously as ever and is rewarding the allegiance of those who stay close without necessarily moving any closer'.³⁴

The results and interpretation are problematic on many counts. Thacker himself notes that UNGA key votes are a rather crude measure of political motivation; however, the distortionary consequences of his model and its weakness in supporting his conclusions may lie deeper than he realizes. To give one example, he deduces that IMF loans to Hungary,

Yugoslavia, and Romania all reflected moves by these countries towards the USA in the 1980s—a difficult, to say the least, assumption in the case of Romania—while the absence of loans to Czechoslovakia and Poland reflected the opposite. He is correct that Poland reflected a politically charged decision within the IMF; however, Czechoslovakia was not even a member of the institution at the time, and therefore ineligible for any kind of loan regardless of political circumstances.³⁵ This example highlights the need to examine descriptively—even if superficially—the circumstances of the cases tested.

The other argument tested by Thacker is whether specific economic interests drive US policy, as argued by modern political economy or neo-Marxian scholars. Thacker uses measures of US exports and foreign investment to test this view; and, although he rejects it too summarily, he does at least accept that a subtler model specification and further research would be needed to untangle the cross-cutting nature of these interests.³⁶

At the end of the statistical analysis, we are still left pondering what kinds of political and strategic interests are being pursued through rewarding ‘political alignment’ and by what means. The statistical testing does not identify the mechanisms through which influence is exercised, nor where it is that other states enjoy or have the potential to exercise influence to counter the US position. On these latter questions case studies and historical research are useful in a number of ways.³⁷ In particular, the history of the institutions assists in elaborating the strategic objectives the US has tried to meet through IMF and World Bank lending. More specific case studies can assist in explaining how influence is exercised, with what impact, and within what limits.

The recently published and richly detailed history of the World Bank gives some insight into the political background to lending decisions within that institution. Having created the IBRD in 1944, the first major decision of the United States was to sideline the institution, using the Marshall Plan instead to channel bilateral, conditional funds directly to European governments. This did not, however, leave the Bank immune from cold war pressures elsewhere. Within the Western alliance, the Bank was soon seen as an important means of supporting and reinforcing allies throughout Asia, the Middle East, Central and South America, and Africa.

In 1948, when Yugoslavia broke from the Soviet bloc, the World Bank stepped in with loans, fulfilling the advice of George Kennan—the architect of the US containment strategy—that the West should offer the country ‘discreet and unostentatious support’.³⁸ In

Nicaragua, the US-supported Somoza regime received a disproportionate number of World Bank loans³⁹ while offering the United States a convenient base for prosecuting the cold war in Central America such as the training and launching of the 1953 overthrow of Guatemalan President Jacobo Arbenz—seen as a Communist sympathiser—and the 1961 Bay of Pigs invasion of Cuba.⁴⁰ In the Middle East, Iran was heavily supported while it offered an important way to contain Soviet-sympathizing Iraq. Indeed, in the period 1957–74 Bank lending to Iran amounted to \$1.2 billion in 33 loans.⁴¹ In Indonesia, after General Suharto assumed power in March 1966 the Bank immediately began a very close and special relationship with the country. The very substantial levels of corruption, the failure to meet World Bank conditions regarding the state oil company Pertamina, and the regime’s human rights record were all overlooked. Rather more important in explaining the Bank’s relationship with Indonesia was the backdrop of US strategic concerns about south-east Asia and communist insurgency.⁴² In this case as in so many others, loans were used to support and win allies in the cold war against the USSR. Significant in all of these examples—and similar examples in the IMF⁴³—is the extent to which economic conditions and performance were overridden by strategic motivations and priorities.

Does the experience of lending during the cold war suggest that the Fund and the Bank were merely instruments of the policies of the US Executive? And, if so, how were these policies imposed on the multilateral institutions? This question goes to the heart of the analysis of US influence and the autonomy of the institutions. Answering the question demands a closer reading of the cases and understanding of how influence was exercised. Several factors emerge. First, it has not always been the case that the priorities of the US Executive have shaped lending, particularly when other US political voices have exercised pressure in a different direction, such as in the case of World Bank loans to India. Second, the effectiveness of loans in securing US preferences, such as consolidating sympathetic regimes or implementing particular kinds of policies in borrowing countries, depends heavily on the relationship established between Fund and Bank officials and their interlocutors within the borrowing government, including a particular technical expertise and mind set. Where this relationship breaks down, or key interlocutors lose their positions in government, so too the influence of the IMF and the World Bank wanes. Third and finally, where US preferences are clear, they influence the staff and work of the international institutions in a number of ways and through informal as well as formal channels and not just through the politics of the

Executive Board. Let us deal with each of these aspects of influence in turn.

In the case of India, World Bank lending went ahead throughout the cold war period in spite of being at odds with US strategic priorities. Indeed, the United States had earlier exerted considerable pressure on the IMF to reduce its assistance to India.⁴⁴ The explanation given by scholars who have examined the history of loans to India is that the Bank's lending reflected concerns of the US aid community as opposed to US national interests as understood by the US Executive agencies, that is, Treasury and State Departments. The same scholars argue that the limits of the Bank's policy influence in India came not so much from overriding US-defined political priorities foisted on the Bank but rather from the lack of technocratic interlocutors in the Indian government.⁴⁵ This highlights another aspect of how the influence of the IMF and the World Bank is exercised.

For Bank and Fund officials successfully to make loans to member governments, staff of the institutions have to forge good working relationships with interlocutors in borrowing countries. In Indonesia, for example, the Brookings project historians explain the high level of Bank activity in terms not only of the US strategic priorities but also the close relationship which developed between the Bank staff and their interlocutors in the Indonesian government, a group of young US-trained economists—or 'technocrats', as they came to be called—who were brought into government by General Suharto. From the Bank's side, the most senior staff member in Jakarta was given unprecedented powers to make loans and report directly to the World Bank President, leading to a rapid expansion of loans and activity.⁴⁶ Significantly, once the Bank's technocratic interlocutors lost some of their influence and power, so too Indonesia's relationship with the World Bank became a more distant one. This story has been repeated in other countries allied to the West with whom the World Bank formed close relations: for example, Turkey, Mexico, Iran—in particular in the late 1970s—and the Philippines.

The Fund and the Bank rely for effectiveness on good relations forged between their staff and interlocutors in lending countries. This is not something that can be, or has been, directly controlled by the United States. Obviously, where the United States can ensure a large speedily disbursed loan is on offer, this can significantly bolster initial relations. Over the longer term, however, decisions to provide—or not—a particular loan offer only a very rough and short-term capacity to influence the policies of a borrowing government.⁴⁷ Over the longer term the deeper relationship with officials from the IMF and the World Bank is

vital and depends upon a number of factors, including the degree to which officials share an understanding of the economic problems facing a country and their possible solutions, and the technical expertise of the negotiators on both sides. Yet perhaps this is not just a question of competence in negotiation and economics. These factors might also lead one to ask whether or not the ostensibly ‘technical’ staff of the Fund and Bank are politically influenced by the United States and, if so, how.

In formal terms, the staff of both the IMF and the World Bank are selected for their excellence as economists and, to quote Article 12, section 4c of the IMF’s Articles of Agreement, ‘owe their duty entirely to the Fund and to no other authority. Each member of the Fund shall respect the international character of this duty and shall refrain from all attempts to influence any of the staff in the discharge of these functions’. In reality, however, this injunction is honoured more by its breach and goes to the heart of the subtle and invisible way in which political influence affects the work of both the IMF and the World Bank. Politics is not confined to the executive board where in theory it belongs. Indeed, a search for explicit US influence in the minutes of board meetings would reveal very little about the way influence is exercised in the institutions.

Much more important is the fact that senior managers in either the Bank or the Fund would virtually never present a recommendation which risked US disapproval. Indeed, if the issue is a sensitive one, any recommendation will be ‘run past’ the US Treasury as it is being prepared for presentation to the board. The implications of this run deep: because senior managers will be unwilling to take recommendations to the board, their staff know that they are wasting their time preparing recommendations of which the US may not approve. Hence, all work within the institutions is undertaken with one eye constantly trained on the likely reactions of the institutions’ largest shareholder. And where officials do take a stance which diverges from the US position, it is not unknown, especially if they are US nationals, for them to be asked by US officials to explain their actions or recommendations.⁴⁸

Overall, the use of resources in both the IMF and the World Bank suggests a high degree of US influence. The US interests being pursued are not always clear; they are the result of contestation within the US political system itself. The US exercises influence over the institutions’ lending not simply by wielding its voting power on the executive board—discussed at greater length below. Equally, if not more influential, are the subtle and often invisible pressures perceived by staff within the institutions and operating as mechanisms of

self-restraint. This poses the question: does the US have much influence in appointing the technical staff of the organization?

5.4. US Influence in the Staffing and Management of the Institutions

In most multilateral organizations and throughout the agencies of the United Nations, there are strict nationality quotas which ensure that all countries are represented both formally in the governing councils of institutions and informally among the technical staff. Furthermore, the requirement to work in a number of different languages ensures a spread of different nationalities. However, early in the history of the Fund and the Bank the United States successfully resisted pressures for there to be any national quotas for hiring, and established a commitment to English as the working language.⁴⁹ Recent historians of the Bank argue that from the start this skewed employment in the Bank significantly, not just geographically—favouring south Asia over east Asia and Britain over other European countries—but also overwhelmingly towards graduates of institutions that taught in English—that is, predominantly the US and the UK.⁵⁰ The allegation that follows from this observation is a sociological one: that US ‘knowledge’ is embedded in both international financial institutions and is yet another instrument through which US economic and political interests are furthered. What does the evidence suggest?

Today in both the IMF and the World Bank the staff are overwhelmingly US or UK trained in economics and finance. In national terms in 1968, an analysis of senior staff in the IMF revealed that 32 of 54 were from four English-speaking countries: the United States (23), the UK (6), Canada (2), and Australia (1).⁵¹ A much more recent study reports that, although the nationality of staff had been diversified so that 41 per cent of staff were from English-speaking industrialized countries, among those being hired at the time of the study some 90 per cent of those with Ph.D.’s received them from the United States or Canada.⁵² Equally, a 1991 study of the World Bank’s Policy, Research and External Affairs Departments showed that some 80 per cent of senior staff were trained in economics and finance at institutions in the United States and in the United Kingdom.⁵³

Many economists would argue that the facts stated above simply reflect that the best economics departments of the world are to be found in the United States—with the UK trailing close behind—and that the Fund and the Bank hire the best. However, before

accepting this rejection of US influence over the composition and work of the institutions, let us briefly review who controls decisions about staffing and management.

The articles of agreement of the Fund and the Bank provide for the head of each organization to be appointed by the executive board. In practice, by long-standing convention the job of President of the World Bank goes to the candidate most favoured by the United States,⁵⁴ and the job of Managing Director of the IMF goes to the candidate most favoured by Western European members. The latter appointment is ‘balanced’ by the convention that the Deputy Managing Director of the IMF is always an American. In theory, the heads of the institutions are then responsible—subject to the approval of the executive board—for the organization, appointment, and dismissal of the staff of their organizations. For all senior appointments, however, the approval of the United States is de facto necessary. The influence of the heads of the organization will also to some degree be influenced by their individual capabilities: their charisma, ideological legitimacy, administrative competence, expert knowledge, previous association with the organization, negotiating ability, and ability to persist in intransigence all contribute to the power of the head of an international organization.⁵⁵ Below the level of head of department, other staff are appointed at the prerogative of senior management. It bears noting that, even at this more junior level, the United States has gone to some length to ensure that its own nationals have every incentive to work for the institutions.⁵⁶

In summary, there are several ways in which the United States has shaped, and continues to shape, the staffing of both the IMF and the World Bank. Influence over who becomes the head or senior management in each organization has a vital role in shaping the institutions, although, certainly, it does not amount to hands-on control—as various United States administrations have found in dealing with ‘loyal’ appointees to the presidency at the Bank who have turned uncomfortably independent.⁵⁷ The staffing may not reflect the sociological view mentioned above, namely, that knowledge is controlled to ensure a particular orthodoxy is imposed worldwide. Nevertheless, as was demonstrated during the first Reagan administration, a change in the politically appointed senior management in either institution can quickly redirect and underline a particular political mind set and blueprint for conditionality within the institutions.⁵⁸

5.5. Formal Structures of Power and Informal Exercises of Influence

Even if used less than the informal influence discussed above, the power of the US in the formal structures of decision making in the IMF and the World Bank is vital to understanding its influence. At the top of each institution is the board of governors which meets once a year and makes overall strategic decisions. In the IMF, the governors are advised by the International Monetary and Financial Committee—formerly the Interim Committee—in which the voting power of each representative is weighted as per the Executive Board which meets twice a year. All other powers are delegated to the executive boards of the institutions. In other words, the United States has more formal power than any other state in all the agencies of oversight and management of the IMF and the World Bank.

In the executive boards of each of the Bank and the Fund all members are represented but not all are directly represented and nor do they enjoy equal voting power. Only the large members have their own executive directors. All other countries are grouped and represented by one director per group. Each member has a percentage of votes reflecting its quota which in turn reflects its weight in the world economy. Not only does the United States have by a wide margin the largest quota and voting share, but, to cite a senior Treasury official's testimony to a Congressional committee examining the IMF: 'Representing the largest, most influential member, the US representatives speak on virtually every issue coming before the Board.'⁵⁹

The US capacity to speak on all issues derives from the resources it brings to its representation in the IMF and the World Bank. To take the example of the IMF, while many countries have one or two officials at the Fund, the United States has at least three dozen US Treasury officials regularly involved in working with, thinking about, and offering advice concerning the IMF. As well as the Executive Director at the IMF, supported by an Alternate Director, an economic adviser, three technical assistants, and two administrative assistants, there is a Deputy Assistant Secretary of the Treasury who works mainly on the IMF, supported by between four and six Treasury staff. Furthermore, most US Treasury country and regional offices spend time liaising with the IMF about analyses and programmes affecting their particular countries or regions. Additionally, staff working on G-7 coordination, as well as on private sector involvement, capital account issues, crisis management, appropriate conditionality, and so forth work regularly with the IMF. Their influence is seen in the way the US attempts to coordinate positions with other members and

build support for its views.

The executive boards of both the Fund and the Bank operate by consensus, which means that formal votes are virtually never taken. However, the voting power of members is taken into account in determining the extent of consensus on any issue. Practically speaking the board secretary keeps a tally of the extent of agreement, in voting power terms, making the voting structure a key ‘behind-the-scenes’ element in decision-making. The US does not enjoy a majority with which to push through measures it favours; rather, the US delegation needs to garner support. Hence the large staff mentioned above are deployed in making frequent direct contacts with the management, staff, and the Offices of Executive Directors within the Fund, either individually or in groups. The US Treasury also uses bilateral relations, the G-7 framework, and other multilateral forums in which to garner support for positions within the IMF. This behind-the-scenes work means that when the US does raise an issue within the Fund’s Board it can do so ‘without triggering counterproductive reactions and a hardening of positions’.⁶⁰

The US is more powerful when it comes to blocking decisions. Enjoying 17.35 per cent of votes, the United States is the only state with a capacity individually to veto decisions requiring 85 per cent majorities; indeed, it negotiated the increase in the special majority as trade-off for its decreased voting share—this was the first amendment to the Fund’s articles.⁶¹ In theory, Germany, with 6.08 per cent of votes, France—5.02 per cent—and the United Kingdom—5.02 per cent—could vote together to exercise a similar veto; however, the European countries do not, as yet, coordinate their positions on the IMF.⁶² Similarly, a very large coalition of developing countries could—but don’t—organize in a similar way.⁶³ As a result, the United States remains the only member with an effective and practised veto power.

Finally, further enhancing US power has been the new porousness of the Fund and the Bank to ‘civil society’ and NGOs, and in particular, NGOs with effective lobbies within the US Congress. Over the past two decades, both the US Congress and Executive Office have pushed the IMF and the World Bank into being more responsive to ‘civil society’. To quote a recent statement by the US Secretary of the Treasury on reforming the Fund:

It should become more attuned, not just to markets, but the broad range of interests and institutions with a stake in the IMF’s work. Just as the institution needs to be more permeable for information to flow out, so too must it be permeable enough to let

in new thoughts—by maintaining a vigorous ongoing dialogue with civil society groups and others.⁶⁴

The terms ‘civil society’ and ‘NGOs’ can, of course, mean a wide variety of different things.⁶⁵ In Washington DC, ‘opening up to NGOs’ means working with, and through, grass-roots organizations in borrowing countries. It also means paying more heed to lobby groups in Washington DC who mobilize popular—in some cases predominantly US—opinion for or against the institutions or a particular policy or aspect of the institutions. This is where enhanced US influence is an issue and explaining it draws together several points already discussed in this chapter.

Transnational NGOs will logically target the US in their attempts to reform the IMF and the World Bank. This is because the United States is, among states, the most powerful to demand change. In particular, NGOs turn to the US Congress because it has the power—and uses it—to impose conditions on any approval given for the replenishment of the IDA in the World Bank or any increase in IMF quotas. Not all NGOs will be heard and supported by Congress, however. Rather, the Congress will be most sympathetic to issues approved of by its own constituents and positions which best resonate among local voters. Hence, NGO influence on the Bank and the Fund through the US Congress is likely always to be slanted towards US interests, however broadly drawn. This reasoning makes sense of the finding of research into NGOs and the institutions that ‘activism by United States NGOs has probably expanded the already disproportionate role of the United States in the international financial institutions, especially the World Bank’.⁶⁶ Examples of the results of such lobbying abound and have already been mentioned in this chapter, such as the Independent Inspection Panel in the World Bank and the Meltzer Commission.

5.6. Conclusions

In sum, the US has substantial capabilities to bring to bear in shaping the mandates, policies, and modus operandi of the international financial institutions. Yet, while neither the IMF nor the World Bank enjoys the independence envisaged for it in its articles of agreement, neither can be said to be ‘controlled’ by the United States. With regard to explaining the nature and limits of US influence, it has been argued that little is revealed by attempts statistically to

model political influence over the lending of the IMF and the World Bank. More work is done by studies of specific cases and of the practices and anatomy of influence within the institutions.

At the core of US influence lies the financial structures of the institutions. The Fund and the Bank do not rely on periodic donations from members in order to replenish their core resources. This gives both the potential to be relatively independent of their government members. Yet in recent years both have, on occasion, fallen into the arms of the US Congress. The IMF's need for additional resources and the creation of the IDA within the World Bank have forced the institutions to ask their government members for additional contributions. In each case the United States contribution has needed the approval of Congress. In turn, Congress has used the opportunity to impose conditions not just regarding the specific facilities for which the funds have been asked, but on the overall governance and direction of both the IMF and the World Bank.

Preserving some element of autonomy for the institutions is the fact that neither can effectively lend resources and influence borrowers without establishing technical credibility and a longer-term relationship with interlocutors within borrowing governments. This limits the uses to which the United States could put the institutions, even if it were in a position to call all the shots. However, the exercise of behind-the-scenes influence by the United States should not be underestimated. It is telling that senior managers in both institutions would almost never present to the board a proposal which risked US disapproval. Furthermore, it is unlikely that these managers would be appointed in the face of any US disapproval.

Finally, although the United States enjoys significant influence in both the IMF and the World Bank, this does not mean that the US Executive agencies control the mandate, lending operations, or outcomes of the institutions. The political pressures emanating from the United States do not all converge. The US Congress is often critical of the Executive agencies of State and Treasury in their policies towards the institutions. Adding further to the fray are NGOs, some of whom effectively lobby the US Congress while others play to a wider world stage. The result is that US influence is almost always effective in securing a hearing and some action within the IMF and the World Bank, but it does not always reflect a coherent set of interests.

With particular thanks to Andrew Walter for his detailed and extremely useful comments on the first draft of this paper, and also to Rosemary Foot, Neil MacFarlane, and Michael Mastanduno for their helpful suggestions. This chapter introduces arguments further developed in Woods (forthcoming). [PLEASE GIVE AS MUCH REFERENCE DETAIL AS AVAILABLE AT THIS STAGE].

¹ See the excellent account of this in Richard Gardner, *Sterling-Dollar Diplomacy* (New York: Columbia Univ Press, 1980); see also Fred Hirsch, *Money International* (Harmondsworth: Penguin, 1969), 266. Even the Fund's mandate was interpreted in light of the narrow US legislation on the Bretton Woods institutions—the US Bretton Woods Agreements Act—as opposed to the international agreement itself: Susan Strange, 'The IMF', in Robert W. Cox and Harold K. Jacobson, *The Anatomy of Influence: Decision Making in International Organization* (London: Yale University Press, 1974), 278.

² Joseph Gold, *Voting and Decisions in the International Monetary Fund* (Washington, DC: IMF, 1972), 238.

³ Brian Tew, *International Monetary Cooperation, 1945–70* (London: Hutchinson, 1970).

⁴ William Ascher, 'The World Bank and U.S. Control', in Margaret Karns and Karen Mingst (eds), *The United States and Multilateral Institutions: Patterns of Changing Instrumentality and Influence* (London: Routledge, 1992), 118. See also Louis Pauly, *Who Elected the Bankers? Surveillance and Control in the World Economy* (New York: Cornell University Press, 1997)

⁵ Susan Strange, 'Cave! Hic dragones: A Critique of Regime Analysis', in Stephen Krasner (ed), *International Regimes* (New York: Cornell University Press, 1983), 342.

⁶ Lisa Martin, 'Agency and Delegation in IMF Conditionality', manuscript prepared for workshop on Political Economy of International Finance, Harvard University (October 2000) and also 'The Political Economy of International Cooperation', in Inge Kaul, Isabelle Grunberg, and Marc A. Stern (eds), *Global Public Goods: International Cooperation in the 21st Century* (New York: UNDP, 1999).

⁷ Andrew Walter, *World Power, World Money: the Role of Hegemony and International Monetary Order* (London: Harvester Wheatsheaf, 1993).

⁸ Paul H. O'Neill (Secretary of the Treasury), 'Excellence and the International Financial

Institutions’, speech to the Economic Club of Detroit, Detroit, Michigan. US Treasury Press Release PO-449 (27 June 2001).

⁹ Kenneth W. Dam (Deputy US Treasury Secretary), ‘Thoughts on the Global Economy’, speech to the World Affairs Council of Washington DC. US Treasury Press Release PO-948 (25 January 2002).

¹⁰ This point is made by Kenneth Abbott and Duncan Snidal, ‘Why States Act through Formal International Organizations’, *Journal of Conflict Resolution*, 42/1 (1998). Instead, institutions are often seen either as sites of cooperation or as passive embodiments of norms or rules. See Andrew Moravcsik, ‘Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community’, *International Organization*, 45 (1991); Robert Keohane, *After Hegemony* (Princeton: Princeton University Press, 1984); Geoffrey Garrett and Barry Weingast, ‘Ideas, Interests and Institutions: Constructing the European Community’s Internal Market’, in Judith Goldstein and Robert Keohane (eds), *Ideas and Foreign Policy: Beliefs, Institutions and Political Change* (Ithaca: Cornell University Press, 1993); and Kaul, Grunberg, and Stern (eds), *Global Public Goods*.

¹¹ Cox and Jacobson, *The Anatomy of Influence*.

¹² Cox and Jacobson, *The Anatomy of Influence* is a useful starting point.

¹³ Compare this with participation in other international organizations, for example, the US itself. Charles William Maynes and Richard S. Williamson, *U.S. Foreign Policy and the United Nations System* (New York: W.W. Norton, 1996).

¹⁴ See World Bank Article III, section 2; IMF Article V, section 1.

¹⁵ IMF, *External Evaluation of IMF Surveillance*, Report by a Group of Independent Experts (Washington, DC: IMF, 1999), 35.

¹⁶ Strange, ‘The IMF’, 269.

¹⁷ Benjamin Rivlin, ‘UN Reform from the Standpoint of the United States’, *UN University Lectures*, 11 (Tokyo: The United Nations University, 1996).

¹⁸ See Graham Bird, ‘Crisis Averter, Crisis Lender, Crisis Manager: The IMF in Search of a Systemic Role’, *World Economy*, 22/7 (1999) for a detailed and technical analysis of the financing of the Fund.

¹⁹ See Article III, section 2 which was revised upwards to ensure that the US did retain a veto, even as its relative quota declined.

²⁰ On US successes in promulgating these issues within the Fund in the 1990s, see Timothy F. Geithner, Treasury Assistant Secretary, US Treasury Statement to US House of Representatives, 21 April 1998, www.house.gov/htbin/fe_srchget/comms/ba00/42198tre.htm.

²¹ In November 1998, the International Financial Advisory Commission was established. It reported to Congress in early 2000, available at [http://\[www?\]phantom-x.gsia.cmu.edu/IFIAC/](http://[www?]phantom-x.gsia.cmu.edu/IFIAC/)

²² Devesh Kapur, John P. Lewis, and Richard Webb (eds), *The World Bank: Its First Half Century. Volume 1* (Washington, DC: Brookings Institution, 1997), 902.

²³ With regard to paid-in capital for the IBRD, there have been three general capital increases—1959, 1979, and 1989—but along with each there has been a decrease in the paid-in portion, from 10 per cent to 7.5 per cent to 3 per cent.

²⁴ See IDA, *Additions to IDA Resources: Twelfth Replenishment* (Washington, DC; IDA, 1998).

²⁵ Catherine Gwin, ‘U.S. Relations with the World Bank, 1945–1992’ in Devesh Kapur, John P. Lewis, and Richard Webb (eds), *The World Bank: Its First Half Century. Volume 2* (Washington, DC: Brookings Institution, 1997), 1150.

²⁶ See IDA, *Additions to IDA Resources*, 29.

[VOL. 1 OR 2?] I am grateful to Gnanaraj Chellaraj for drawing my attention to this.

²⁸ See ‘Operational Policies’, World Bank, *The World Bank Operational Manual* at www.worldbank.org

²⁹ The external funding for trust funds in financial year 1999 was provided by—in order of size of donation in millions of US\$—the Netherlands 221, Japan 199, USA 94, UK 87, and Sweden 74. The HIPC (Highly Indebted Poor Countries) Trust Fund has \$1,233 million made up of: \$850 million from IBRD unallocated net income; \$90.4 million from the African Development Bank Group (AfDB Group); \$1.2 million from the Nordic Development Fund (NDF); \$291.4 million from Belgium, Canada, Denmark, Finland, Greece, Japan, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. The United States contribution to HIPC has been a major source of tension between the Executive and Congress: see Stephen Fidler, ‘US debt relief under fire’, *Financial Times* (13 July 2000).

³⁰ Article IV, section 5. It is worth bearing in mind that in fact to some degree policy

conditionality has always been part of the Bank's work: David Baldwin, 'The International Bank in Political Perspective', *World Politics* 18/1 (1965).

³¹ Frank A Southard, *The Evolution of the International Monetary Fund*. Essays in International Finance, no. 135 (Princeton: International Finance Section, Dept of Economics, Princeton University, 1979), 19–20.

³² Strange, 'The IMF', 272.

³³ Strom Thacker, 'The High Politics of IMF Lending', *World Politics*, 52/1 (1999).

³⁴ Thacker, 'High Politics', 64.

³⁵ I am very grateful to James Boughton for sharing these insights with me. His own work (Boughton, 2000) [PLEASE GIVED FULL DETAILS] offers a contrastingly rich historical analysis of such examples.

³⁶ Thacker, 'High Politics', 58.

³⁷ See Kapur, Lewis, and Webb, *The World Bank* [VOL. 1 OR 2?] Tony Killick, *IMF Programs in Developing Countries: Design and Impact* (London: Routledge, 1995); Kendall Stiles, *Negotiating Debt: The IMF Lending Process* (Boulder, CO: Westview, 1991).

³⁸ Kapur, Lewis, and Webb, *The World Bank*, [VOL. 1 OR 2?] 103.

³⁹ Ibid.

⁴⁰ Anthony Lake, *Somoza Falling* (New York: Houghton Mifflin, 1989).

⁴¹ Kapur, Lewis, and Webb, *The World Bank*, [VOL. 1 OR 2?] 500.

⁴² Marshall Green, *Indonesia: Crisis and Transformation, 1965–1968* (Washington, DC: Compass Press, 1990).

⁴³ Harold James, *International Monetary Cooperation since Bretton Woods* (Oxford: Oxford University Press, 1996); Pauly, *Who Elected*.

⁴⁴ James, *International Monetary*, 138.

⁴⁵ Kapur, Lewis, and Webb, *The World Bank*, [VOL. 1 OR 2?] 293–8, 463–7.

⁴⁶ Kapur, Lewis, and Webb, *The World Bank*, [VOL. 1 OR 2?] 467–71.

⁴⁷ Tony Killick, 'Principals, Agents and the Limitations of BWI Conditionality', *World Economy*, 19/2 (1996) analyses the short-term effects and longer term failure of IMF conditionality.

⁴⁸ Conversations with officials in both organizations. Note that in the background lies a general unwillingness of the Executive Board to interfere with other members' business: in

the words of the External Evaluation into IMF Surveillance, what is supposed to be ‘peer pressure’ in fact becomes ‘peer protection’—a reciprocal agreement not to interfere. IMF, *External Evaluation into IMF Surveillance*, 34.

⁴⁹ Although there is a formal requirement that in making appointments, due regard should be paid ‘to the importance of recruiting personnel on as wide a geographical basis as possible’. See IMF Articles of Agreement, Article XII, Section 4d.

⁵⁰ Kapur, Lewis, and Webb, *The World Bank*, [VOL. 1 OR 2?] 1167.

⁵¹ See Strange, ‘The IMF’, 269.

⁵² Ian D. Clark, *Should the IMF Become More Adaptive?*, IMF Working Paper WP/96/17 (Washington, DC: IMF, 1996).

⁵³ Nicholas Stern with Francisco Ferreira, ‘The World Bank as “Intellectual Actor”’ in Kapur, Lewis, and Webb (eds), *The World Bank. Volume 2*.

⁵⁴ In the early days this was seen as vital if the institution were successfully to float bond issues within the US markets.

⁵⁵ Cox and Jacobson, *The Anatomy of Influence*.

⁵⁶ See, for example, the tax arrangements set out in Geithner, ‘US Treasury Statement’, 4.

⁵⁷ See Kapur, Lewis, and Webb, *The World Bank*. [VOL. 1 OR 2?]

⁵⁸ Ngaire Woods, in Chris Gilbert and David Vines (eds), *The World Bank: Structure and Policies* (Cambridge: Cambridge University Press, 2000).

⁵⁹ Geithner, ‘US Treasury Statement’, 5.

⁶⁰ Geithner, ‘US Treasury Statement’, 7.

⁶¹ Frederick K Lister, *Decision-Making Strategies for International Organizations: The IMF Model*, 20/4 (Denver: Graduate School of International Studies, University of Denver, 1984).

⁶² Compare this with the WTO, where they do; and note Robert Solomon, *The International Monetary System, 1945–1981* (New York: Harper and Row, 1982) who argues that European states prefer other forums such as G-7 and G-10 because there they enjoy more equality with the US.

⁶³ The developing countries’ coalition, the Group of Twenty-Four, exists but does not use such tactics.

⁶⁴ Lawrence Summers, ‘The right kind of IMF for a stable global financial system’, Remarks to the London Business School, 14 December 1999 (US Treasury: LS-294).

⁶⁵ See Jan Aart Scholte, 'Global Civil Society', in Ngaire Woods (ed.), *The Political Economy of Globalization* (Basingstoke: Macmillan, 2000) for an excellent enumeration.

⁶⁶ Charles Abugre and Nancy Alexander, 'Non-Governmental Organizations and the International, Monetary and Financial System', *International Monetary and Financial Issues for the 1990s. Volume IX* (Geneva: UNCTAD, 1998), 116.