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A World Bank for a new world

The World Bank requires a president that understands development and sustainability, not another Wall Street banker.

There are fears that Robert Zoellick, set to step down in July, will be replaced with a Wall Street banker [GALLO/GETTY]

New York, NY - The world is at a crossroads. Either the global community will join together to fight poverty, resource depletion and climate change, or it will face a generation of resource wars, political instability and environmental ruin.

The World Bank, if properly led, can play a key role in averting these threats and the risks that they imply. The global stakes are thus very high this spring as the Bank's 187 member countries choose a new president to succeed Robert Zoellick, whose term ends in July.

The World Bank was established in 1944 to promote economic development, and virtually every country is now a member. Its central mission is to reduce global poverty and ensure that global development is environmentally sound and socially inclusive. Achieving these goals would not only improve the lives of billions of people, but would also forestall violent conflicts that are stoked by poverty, famine and struggles over scarce resources.

US officials have traditionally viewed the World Bank as an extension of United States foreign policy and commercial interests. With the Bank just two blocks away from the White House on Pennsylvania Avenue, it has been all too easy for the US to dominate the institution. Now, many members, including Brazil, China, India and several African countries, are raising their voices in support of more collegial leadership and an improved strategy that works for all.

From the Bank's establishment until today, the unwritten rule has been that the US government simply designates each new president: all 11 have been Americans, and not a single one has been an expert in economic development, the Bank's core responsibility, or had a career in fighting poverty or promoting environmental sustainability. Instead, the US has selected Wall Street bankers and politicians, presumably to ensure that the Bank's policies are suitably friendly to US commercial and political interests.

Yet the policy is backfiring on the US and badly hurting the world. Because of a long-standing lack of strategic expertise at the top, the Bank has lacked a clear direction. Many projects have catered to US corporate interests rather than to sustainable development. The Bank has cut a lot of ribbons on development projects, but has solved far too few global problems.

For too long, the Bank's leadership has imposed US concepts that are often utterly inappropriate for the poorest countries and their poorest people. For example, the Bank completely fumbled the exploding pandemics of AIDS, tuberculosis and malaria during the 1990s, failing to get help to where it was needed to curb these outbreaks and save millions of lives.

Even worse, the Bank advocated user fees and "cost recovery" for health services, thereby putting life-saving healthcare beyond the reach of the poorest of the poor - precisely those most in need of it. In 2000, at the Durban AIDS Summit, I recommended a new "Global Fund" to fight these diseases, precisely on the grounds that the World Bank was not doing its job. The Global Fund to Fight AIDS, TB and Malaria emerged, and has since saved millions of lives, with malaria deaths in Africa alone falling by at least 30 per cent.

The Bank similarly missed crucial opportunities to support smallholder subsistence farmers and to promote integrated rural development more generally in impoverished rural communities in Africa, Asia and Latin America. For around 20 years, roughly from 1985 to 2005, the Bank resisted the well-proven use of targeted support for small landholders to enable impoverished subsistence farmers to improve yields and break out of poverty. More recently, the Bank has increased its support for smallholders, but there is still far more that it can and should do.

The Bank's staff is highly professional and would accomplish much more if freed from the dominance of narrow US interests and viewpoints. The Bank has the potential to be a catalyst of progress in key areas that will shape the world's future. Its priorities should include agricultural productivity; mobilisation of information technologies for sustainable development; deployment of low-carbon energy systems; and quality education for all, with greater reliance on new forms of communication to reach hundreds of millions of under-served students.

The Bank's activities currently touch on all of these areas, but it fails to lead effectively on any of them. Despite the excellence of its staff, the Bank has not been strategic or agile enough to be an effective agent of change. Getting the Bank's role right will be hard work, requiring expertise at the top.

Most importantly, the Bank's new president should have first-hand professional experience regarding the range of pressing development challenges. The world should not accept the *status quo*. A World Bank leader who once again comes from Wall Street or from US politics would be a heavy blow for a planet in need of creative solutions to complex development challenges. The Bank needs an accomplished professional who is ready to tackle the great challenges of sustainable development from day one.

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