

# Reforming the IMF and World Bank

*An academic from the University of Oxford has addressed G20 members, Commonwealth heads of government, the European Union and the World Economic Forum at Davos on her ideas about how to reform the World Bank and the International Monetary Fund.*



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The World Bank provides leveraged loans to developing countries for capital programmes and aims to reduce poverty. The IMF helps countries in crisis. However, one of the strongest criticisms of both institutions has been about the way they are governed. Professor Ngaire Woods from the Department of Politics and International Relations has researched these problems and put forward practical suggestions for reform.

Many of her suggestions for change are now being implemented in these international agencies, resulting in improved governance and accountability.

Although the World Bank and IMF between them represent 186 countries, each is run by just a small number of economically powerful countries. These countries choose the leadership and senior management, and so their interests dominate, despite the fact that the main borrowers from the World Bank and IMF are developing countries. One of Professor Woods' recommendations was to shift the focus from the needs of the USA and European countries to those of developing countries by reforming the voting structure. By 2010, voting powers at the IMF and the World Bank had been revised to increase the voice of developing countries, notably China, Brazil, India, South Korea and Mexico.

Professor Woods' research and engagement with governments and non-governmental groups have been a positive force for the IMF and the World Bank to reform and improve their governance structures. Both institutions have also sought advice directly from Professor Woods.

Professor Woods also writes regularly in newspapers, including the Guardian, The Economist and the Financial Times, to help inform and engage the public with the governance issues of the World Bank and the IMF as well as the other areas of research carried out under her direction at the Global Economic Governance Programme.

***“Professor Ngaire Woods is an expert and influential thinker on the future of the international financial institutions. During my time as the UK’s Governor to the World Bank on several occasions I reflected upon Ngaire Woods’ writings on the issue of World Bank reform and valued her wise counsel on various occasions. She is an academic whose writings have influenced far beyond the academic world.”***

**Douglas Alexander MP, Secretary of State for International Development (2007-2010)**

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