

## THE WORLD BANK AS A MECHANISM OF GLOBAL INFLUENCE BY THE UNITED STATES

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### **Abstract:**

The World Bank, established in 1944, is a pivotal institution in global economic governance, ostensibly designed to promote development and reduce poverty. However, its structure, decision-making processes, and policy priorities have long been shaped by the United States, raising questions about its role as a mechanism of U.S. global influence. This article examines the historical and contemporary dynamics of U.S. dominance within the World Bank, analyzing its governance structure, voting power, leadership appointments, and policy frameworks. It argues that the World Bank serves as a tool for advancing U.S. economic and geopolitical interests, often prioritizing Western-centric development models over the needs of recipient nations. The article concludes by discussing the implications for global economic equity and the potential for reform to address these imbalances

### **Introduction**

The World Bank, comprising the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), is one of the most influential multilateral institutions in the global economy. Established at the Bretton Woods Conference in 1944, it was envisioned as a cooperative mechanism to support post-war reconstruction and economic development. However, the United States, as the world's preeminent economic power at the time, played a central role in

shaping its structure and operations. This article explores how the World Bank has functioned as an instrument of U.S. global influence, leveraging its financial resources, governance mechanisms, and policy prescriptions to align global development with American interests

### Historical Context

The creation of the World Bank was deeply tied to U.S. strategic objectives during and after World War II. The Bretton Woods Conference, held in New Hampshire, was dominated by the U.S. and its allies, who sought to establish a global financial order conducive to Western interests. The U.S. contributed the largest share of capital to the IBRD, securing significant influence over its operations. The decision to headquarter the World Bank in Washington, D.C., and the unwritten norm that its president would always be a U.S. citizen further entrenched American control.

During the Cold War, the World Bank became a tool for countering Soviet influence in the developing world. Loans and grants were often directed toward countries aligned with U.S. geopolitical interests, such as those resisting communist expansion. For instance, significant funding was channeled to nations like South Korea and Turkey, which were seen as strategic allies. This alignment of development aid with U.S. foreign policy objectives underscored the World Bank's role as an extension of American power

### Policy Prescriptions and the Washington Consensus Trade Turnover

The World Bank's policy frameworks have often reflected U.S. economic ideology, particularly through the promotion of neoliberal reforms encapsulated in the "Washington Consensus." This set of policies, emphasizing deregulation, privatization, and free-market principles, was heavily advocated by the U.S. and its allies in the 1980s

and 1990s. The World Bank, alongside the International Monetary Fund (IMF), became a primary vehicle for implementing these reforms through structural adjustment programs (SAPs).

SAPs required borrowing countries to adopt market-oriented policies in exchange for loans, often leading to austerity measures, reduced public spending, and trade liberalization. While these policies were presented as universal solutions to economic challenges, they frequently aligned with U.S. interests, such as opening markets for American corporations and promoting financial systems conducive to U.S. investment. Critics argue that SAPs exacerbated inequality and undermined sovereignty in developing nations, prioritizing Western economic models over local needs.

## **Case Studies**

### **Latin America in the 1980s**

In the 1980s, Latin American countries like Mexico and Argentina faced debt crises that made them heavily reliant on World Bank and IMF loans. The conditions attached to these loans, rooted in the Washington Consensus, required sweeping reforms, including privatization of state-owned enterprises and reductions in social spending. These measures often benefited U.S.-based multinational corporations, which gained access to newly liberalized markets, while local populations faced economic hardship.

### **Post-Conflict Reconstruction**

The World Bank's role in post-conflict reconstruction further highlights its alignment with U.S. interests. In Iraq, following the 2003 U.S.-led invasion, the World Bank provided significant funding for reconstruction efforts. However, much of this funding was directed toward projects aligned with U.S. geopolitical goals, such as rebuilding infrastructure to support Western investment. Similarly, in Afghanistan,

World Bank projects often complemented U.S. military and strategic objectives, raising questions about the institution's neutrality

### Contemporary Dynamics

In recent years, the rise of emerging economies like China has challenged U.S. dominance in global financial institutions. China's establishment of the Asian Infrastructure Investment Bank (AIIB) in 2015 was partly a response to the perceived U.S.-centric bias of the World Bank and IMF. Despite these challenges, the U.S. continues to wield significant influence, particularly through its veto power and leadership appointments. The presidency of David Malpass (2019–2023), a Trump administration appointee, exemplified ongoing U.S. control, as his policies often reflected American priorities, such as skepticism toward climate-focused lending.

The World Bank's response to global challenges, such as climate change and the COVID-19 pandemic, also bears the imprint of U.S. influence. For instance, the U.S. has pushed for debt relief initiatives that align with its broader foreign policy goals, such as countering China's Belt and Road Initiative. While the World Bank has diversified its focus to include issues like gender equality and environmental sustainability, its core priorities often remain aligned with Western economic paradigms

### Conclusion

The World Bank has played a central role in shaping global development, but its operations have been heavily influenced by the United States. Through its governance structure, leadership appointments, and policy frameworks, the U.S. has used the World Bank to advance its economic and geopolitical interests, often at the expense of developing nations' sovereignty and priorities. While the institution has made strides in addressing global challenges, its alignment with U.S. objectives limits its ability to



serve as a truly impartial development partner. Reforming the World Bank to reflect a more equitable distribution of power is essential for fostering a fairer global economic order

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