Abstract
This article suggests that the debate surrounding the inception of the Asian Infrastructure Investment Bank (AIIB) is missing a crucial element of staffing policy. We review existing literature on IMF and World Bank reform, which shows that developing and emerging economy leadership in the organizations may not be sufficient in changing the normative character and policy orientation of the new organization. To counter principle-agent problems that make multilateral lending institutions unresponsive to policy directives from shareholders and management, we argue that staffing policies should be at the forefront of AIIB scrutiny. We show that, staffing practices should safeguard against three specific staff-level issues: (1) half-hearted or incomplete policy mandate reform; (2) intellectual monocropping; and (3) at organization culture incompatibility. To substantiate our conclusions and policy recommendations we examine the World Bank and IMF as case studies of staff-level reforms in multilateral lending institutions.

Policy Implications
- Safeguard against ‘intellectual monocropping’: create procedural channels to allow new ideas to take root.
- No half-measures: create a core (not auxiliary) mandate that staff engage with socioeconomic, environmental, and humanitarian issues.
- Balance institutional hierarchy with critical thinking: hire more mid-career development practitioners to benefit from on-the-ground experience and original ideas.
- Avoid the beaten path: Recognize intellectual diversity among economists and non-economist social scientists; hire more recruits from outside of top US and UK graduate programmes.

1. Refocusing the AIIB debate
The inception of the Asian Infrastructure Investment Bank (AIIB) is perhaps the most talked about event in global economic governance since China joined the World Trade Organization (WTO) in 2001. The world’s eyes are again on China, and policy makers and the media alike seem to be focused on a single theme: China’s challenge to US hegemony in the global economy. Thanks in part to the bungled US-Japanese response to China’s push to create this organization – not to mention the strong willingness of US and Japanese allies to join the organization despite the two countries’ warning against doing so – media outlets and think tanks have honed in on the element of power politics. Moreover, the US Congress’ resistance to signing the IMF quota renewal – which would pave the way for a shift in US power to emerging market economies at the Executive Board – has further heightened views of AIIB as a Chinese reaction to stubborn US hegemony. Hence, discussion on the AIIB has focused on structural and global politics. For example, some have focused on the effect of the AIIB on the potential decline of the US dollar as an international reserve currency, and the concomitant rise of China’s currency, the renminbi (RMB) (Pettis, 2015); some have speculated on the implications of this move for China’s future leadership in global economic governance institutions (Wang, 2015); while others have characterized the AIIB as an indicator of US decline (Mahbubani, 2015).

Much of this discussion surrounds an international organization (IO) that, at the time of writing, is yet to make a single loan and, more saliently, hire a single staff member. And while there is no lack of reporting, commentary, and academic analysis of the AIIB, much of it focuses on how this bank will be governed – on who will pull the managerial strings and how this will impact Western-dominated IOs. Instead, in this article, we focus on how the bank could
work from the bottom-up: the kinds of policies it might promote, and whether the bank could actually make an immediate difference in how the global economy is governed. We argue that the focus on the AIIB’s governance avoids more fundamental questions about how the global economy is governed. Questions surrounding the norms of international development – what kinds of policies developing countries should adopt to grow their economies – are yet to be addressed. Moreover, shareholder and management-level reforms at IOs, important as they are, do little to assuage principal-agent problems that have been pronounced at both the World Bank and International Monetary Fund (IMF). These problems are likely to surface at the AIIB.

The most glaring gap in much existing analysis on the AIIB concerns normative questions about the kind of institution that it will be. Beyond the recently announced collaboration with Western-led multilateral development banks (MDBs) like the World Bank and the Asian Development Bank (ADB) (e.g. World Bank, 2016), we know little about the institution’s policy orientation (to this end, we will have to wait for its planned collaborative projects with the establishment MDBs to be completed). And despite over a decade of rich empirical analysis on the role of staff-level reform at the World Bank and IMF, and the role of such reforms in affecting the policy output of these organizations, the scholarly and policy community has generally ignored the issue of staffing with respect to the AIIB.

To counter principle-agent problems that make multilateral lending institutions unresponsive to policy directives from shareholders and management, we argue that staffing policies should be at the forefront of AIIB scrutiny. But, as this article will show, simply taking on additional staff from different disciplinary backgrounds is unlikely to be sufficient in addressing the problem: organizational culture and staff mandates should be addressed in earnest. Specifically, staffing practices should safeguard against three specific staff-level issues: (1) half-hearted or incomplete policy mandate reform; (2) ‘intellectual monocropping’ (Evans and Finnemore, 2001); and (3) at organization culture incompatibility.

We will review existing research on staffing practices at the IMF and World Bank, augmenting it with our own research on the role of staffing policies in IMF reform. We begin, in section 2, by playing devil’s advocate: deconstructing the assumption that the AIIB will be different because it will be a Chinese-led IO and therefore more closely reflect the Chinese development ‘model’. In section 3, we show why staffing matters from a policy perspective. Section 4 look at what the evolution of the World Bank’s staffing policies can teach us about the first two of the three staffing issues outlined above. Section 5 addresses the third staffing issue by looking at original staff-level research on the IMF. The results reinforce earlier literature on World Bank staff reforms by showing that tweaking staffing policies at the margins yields very partial results. It illustrates the weakness of the CSO-outreach approach to IO reform and emphasizes the importance of paying attention to an institution’s organizational culture. Section 6 discusses specific staffing policy proposals to make the AIIB an effective and unique MDB.

2. What kind of institution?

The Chinese government has said very little about the staff it will hire, beyond the fact that it will have ‘international’ credentials. Indeed, we know that the bank’s preliminary secretariat, led by a top Chinese bureaucrat Jin Liqun has been consulting with the ADB and the World Bank on how to move forward with organizing the AIIB, and is closely collaborating with the World Bank on its initial set of projects (Xinhua, 2016).

Thus, the new multilateral development bank (MDB) will be headed by a Chinese economist, lifted directly from among the most senior members of the central bureaucracy. Does this mean that he will want to see infrastructure policies different from those advocated by the World Bank? Jin’s own writings on the subject are quite mute on this. His most substantial elaboration of the goals of the AIIB is in step with the issues discussed in the media. Jin sees the AIIB as rebalancing global economic governance to give more governance power to developing countries – particularly to emerging economies – to create a counter-balance to US and European-dominated Bretton Woods Institutions (Jin, 2016).

However, the political dimension of the IO’s management, as we elaborate below, is less important than the intellectual foundations of its day-to-day activities and program implementation and design. To this end, it is old news that China’s approach to economic development has been distinct from that which has been prescribed for decades by the Bretton Woods Institutions. Particularly, while there is no consensus on a clear ‘China model’ of economic development. Indeed, China’s experience with economic development suggests a more robust role for the state in guiding economic development, and greater weight given to local political circumstances, than to universally applicable economic models (Breslin, 2011).

But does China’s economic development experience suggest that Chinese economists are more ‘heterodox’ than their peers? China’s prominent economist, Peking University professor and close advisor of the central leadership, Justin Yifu Lin, has been a long-time critic of the neo-classical paradigm in the economics of development. Lin has advocated a new structural economics school of economic development (Lin, 2011), which stresses government support for technological capacity building and active government involvement in enhancing the productive capacity in economic sectors, in which developing countries have a comparative advantage (Lin, 2012). Lin called on MDBs to hire more developing country economists, who he deems to have a better understanding of the context in which development policies ought to be applied (Fine and Van Waeyenberge, 2013). However, while it could be suggested that this development paradigm is influential with top members of the Chinese Communist Party – who ultimately make choices about the direction of the Chinese economy – the paradigm holds little sway in the economics profession in China, which some have found to have an orthodox, Chicago-school orientation, even to the point of ignoring the
new Keynesian school of macroeconomics, which occupies an orthodox position in the curriculums of many top economics graduate programs in the West (Zhang and Xu, 2013).

Complicating the issue further, is the ambiguity of the political economy of China’s development ‘model’. There has recently been an uptake in scholarly research into the extent to which China’s economic policies present a unique paradigm that can, at least in principle, be generalized and implemented beyond China’s borders (Naughton and Tsai, 2015). Some have even suggested that China’s experience forces us to rethink development altogether – even if we take a neoclassical economics framework as a starting point (Rodrik, 2006). Moreover, in contrast to the often criticized ‘one-size-fits-all’ approach to infrastructure planning and economic development more generally undertaken by Western-dominated MDBs, China’s own experience with economic development suggests a prioritization of experimentation and local knowledge over the implementation of global standards, even when the latter is a stated goal or result (McNally, 2012).

However, there are many reasons that should compel us to nuance our enthusiasm about the transformative potential of the new institution. First, as Ferchen (2013) has found, China’s opposition to neoliberal reforms cannot be separated from its domestic political economy, which ebbs and flows with domestic political changes and shifts in power constellations within the Chinese communist party (e.g. leadership transitions). For instance, the most vocal critiques of neoliberalism came to the foreground at the start of the Hu Jintao/Wen Jiabao tenure, when the leadership needed to deflect criticism that China had abandoned its socialist roots (Ferchen, 2013) from the new Left of the Chinese political spectrum (See Veg, 2014 for a discussion). Thus, we should not be quick to assume that the new institution will deviate in its normative policy outlook from the Western-led MDBs.

Indeed, for many years, China argued that the Asian financial crisis demonstrated that the existing ‘international’ monetary and financial system can no longer accommodate the needs of international economic and financial development, and, therefore, the system needs to be reformed (Dai, 1999). But in this regard, the AIlB is only a start. It certainly sets up the institutional architecture to spearhead such reform, but only scratches the surface of the principle agent problems that are likely to abound – problems that are quite endemic to the engagement of the Chinese state with the global economy (see, for example, Gill and Reilly, 2007). In other words, even if we assume that the AIlB will have a different ideological outlook from the World Bank and the ADB, it is still far from clear that the projects it undertakes will differ in character from either of these institutions. If the new institution is to be the MDB arm of the New Structural Economics paradigm, or some other alternative to neoliberalism, it must learn from institutions like the IMF and the World Bank as much as it needs to distinguish itself from them. Perhaps the most glaring errors of present commentary on the AIlB is the presumption that its predecessor institutions have not tried to evolve beyond the Washington Consensus – they have, in fact, made attempts, and substantial ones at that (see Hammer, 2013). As we will illustrate in the following sections of this article, reforms might start at the executive board or management level, but they are implemented and often dissolve at the staff level.

3. Why staffing matters

The question of governance of the AIlB is key to ensuring the long-term legitimacy and effectiveness of the AIlB. One issue with strong symbolism is the continued appointment of a European to the position of IMF Managing Director and an American to the President of the World Bank. For many developing countries the symbolism of having a European or American in charge of an organization that is mainly used by the developing world is reminiscent of Europe’s ‘white man’s burden’. But beyond the symbolism, how important is this issue? Would an AIlB chief from China or Africa make a difference in day-to-day AIlB policies?

The literature is mixed on the importance of international organization (IO) leadership in affecting outcomes. While there is a long-standing argument that leaders make an important difference in the policy outlook of an IO (see Cox and Jacobson, 1979, pp. 20–25), more recent studies suggest that individuals’ influence on outcomes is limited by structural power considerations (Moravcsik, 1999). The case of the World Bank is instructive. Joseph Stiglitz, a prominent ‘heterodox’ Chief Economist at the Bank, resigned in 2000 after criticizing the development paradigm pursued by the Bank. The IO later hired Chinese economist Justin Yifu Lin (described above) as Chief Economist and Senior Vice President in for a four-year tenure in 2008. While successful in setting the research agenda at the organization, there is little evidence that his tenure changed the policies carried out by the institution. Because the chief economist does not set hiring practices at the IO, he/she is actually quite constrained in influencing the daily business of the organization: specifically, the policy prescriptions and programs that accompany projects carried out by the Bank.

Moreover, leaders of international organizations have limited mandates and resources, further weakening the personal influence of an IO leader (See Kille and Scully, 2003). This creates a breakdown in the top-down chain of decisions necessary to make institutional reforms possible. Hence, the weakness of IO leaders often leads to principal-agent problems (Vaubel 2006) that must be addressed at the grassroots: by changing how staff implement lending programs.

IO staff deal with key functions of the organization, particularly loan negotiations, program monitoring, designing loan conditions, and communicating the IO’s policies. Contrary to popular belief, management and shareholders have a limited impact on these crucial functions. The staff compose many of the decisions at the highest levels of an IO’s decision-making, including its Executive Board, and are arguably the most powerful shapers of IO policies (See Babb, 2003, p.19; for an elaborated debate see Fratianni and Pattison,
4. The World Bank: why interdisciplinary hiring is not enough

The AIIB’s website is explicit that the institution will strive to be efficient and environmentally responsible and draw on the experience of its predecessor MDBs to structure and implement infrastructure projects in the developing world:

The Asian Infrastructure Investment Bank (AIIB) has the mandate to foster economic growth in Asia by investing in infrastructure and other productive areas and promoting regional cooperation and partnership. As a new multilateral financial institution, AIIB’s approach will be ‘lean, clean and green’, with a focus on efficiency, sustainability and transparency. The Bank will also work closely with the existing Multilateral Development Banks – complementing, supplementing and enhancing their development efforts. (AIIB, 2016)

This provides the new institution with both a challenge and an opportunity. The opportunity lies in learning: the World Bank has begun to address these issues as early as 1994 (Mosse, 2011). The challenge is that the outcome of these initiatives is a mixed one.

In an effort to make it responsive to socioeconomic, environmental, and humanitarian needs of the people that its policies impact, the World Bank has engaged in interdisciplinary hiring and has made repeated attempts to alter the institutional mandate of its staff. As Mosse (2011) has noted, the World Bank has actively expanded its staff hiring pool to include non-economist social scientists, particularly anthropologists. After a decade of implementing disciplinary diversification at the staff level, the organization boasted nearly 150 anthropologists in 2004 and, if other non-economists are counted, the number of program staff with training outside of the discipline of economics is likely to be even higher (Mosse, 2011).

The Bank has also made a concerted effort to make poverty and social impact reviews an integral part of its lending practices. In 2002 it initiated the Poverty and Social Impact Assessment (PSIA) procedures to be undertaken by the staff designing its lending programs (Coudouel et al., 2006). In 2004, staff were given specific guidelines and were tasked
with implementing the practices. By 2006, nearly 150 PSIAs were completed, with a majority carried out for projects in low-income countries, but also with an increasing number extended to middle-income countries. By 2011 the Bank began extensive consultations with civil society on how to improve the approach of the PSIAs. Under the Environmental and Social Framework outreach initiative, the Bank continued to consult ‘with a wide range of stakeholders from governments and implementing agencies, civil society organizations involved in advocacy and service delivery, the private sector, as well as academia and applied research institutions’ (World Bank 2016) on how its staff can safeguard policies to ensure proper consultation on the social, economic, and environmental impact of its policies.

To be sure, the results of this kind of outreach have yielded results. Hiring anthropologists contributed to the trickling in of ideas of economic development from outside of the economics discipline into the Bank’s research lexicon. On the policy front, there have been documented cases of direct project impact of these ideas. For example, Li (2011) has found that in conducting social and environmental assessments for an infrastructure project in a village in Indonesia, staff chose to carry out their funding through block grants to villages instead of the typical top-down oversight of blueprint policy prescriptions. Li observes that the combination of the social safeguard mandates and the participation in the project by staff from the anthropologist profession, opened up an entirely new way of thinking about project implementation:

By optimizing social capital or ‘getting the social relations right’, they thought they could supply village infrastructure more efficiently, alleviate poverty, promote economic growth, foster good governance and enhance local capacities for conflict management – diverse ends that, separately and in combination, they thought would benefit the nation overall and the poor in particular. Theirs was a multifaceted agenda that took them deep into the minutiae of village life. It required the Bank to become ethnographic. (Li 2011, p. 106)

Openness to the socioeconomic, humanitarian, and environmental impacts of its lending decisions has helped the Bank to generate self-correcting criticism from among staff, which has led to institutional innovation and allowed for new ways of carrying out project assessment and (ultimately) financing (Guggenheim, 2006).

However, the World Bank’s staff level reforms have fallen short in a number of ways. First, hiring staff from outside the economics discipline may have begun to change the policy outlook of the Bank, but stopped short of wholesale transformation. As Mosse (2007) and Li (2011) show, introducing ethnographic research methods did not change the disciplinary balance of power in the organization: economists’ approach to development continued to dominate the policy orientation of the Bank. Anthropologists augmented the core staff but have yet to transform the Bank’s normative orientation.

This speaks to the issue of intellectual monocropping at IOs that Evans and Finneimore (2001) noted over a decade ago. Because IO staff tend to reproduce policy advice based on the same intellectual school of thought, it becomes difficult for new ideas to take root (Broad, 2006), even when they emanate from staff themselves (St. Clair and McNeill, 2011). In the case of the World Bank, even when staff diversification did take place, it proceeded within an established normative framework that defines the organization’s policies and outlook.

This phenomenon is not limited to the hiring of anthropologists. For example, World Bank staff has made concerted efforts to address distributional issues by adding a ‘political economy’ angle to their analysis. However, the Bank’s approach to political economy has tended to downplay social justice and distributional issues associated with World Bank projects and instead focuses on learning how to overcome political resistance. For example, the World Bank’s book Understanding Policy Change: How to Apply Political Economy Concepts in Practice (Corduneanu-Huci et al., 2013), takes a step outside of the realm of neoclassical economic analysis, but stops short of presenting an alternative perspective thereto. Other political economy-related publications are essentially neo-functionalist and quasi-public choice theory analyses of the bureaucratic obstacles to World Bank-style reforms in developing countries (e.g. Bunse and Fritz, 2012; Eaton et al., 2011). This is not to say that these reforms are invariably a bad idea. However, when the main focus is cutting fiscal expenditures, other political economic issues, such as inequality, unemployment, and environmental issues are often sidelined.

Another setback for staff-level reforms at the Bank was the organization’s half-hearted and incomplete approach to reforming its staff policy mandate. For instance, the revised PSIAs have been criticized for being too vague, and for their weak implementation at the organizational level. Senior management, according to some World Bank staff, regard safeguards as an ‘impediment to lending’ and not as important among the tasks that project staff must perform (Anders, 2014). As Chavkin et al. (2015) have found, the Bank’s safeguard policies do not work particularly well in practice. Moreover, the normative diversification that appeared under way in the Bank in the mid to late 2000s has given way to a retrenchment by more orthodox and conservative development paradigms (Chavkin, 2016).

What can we learn from the World Bank’s experience? First, staff mandates matter: augmenting existing mandates with socioeconomic and environmental safeguard checklists will be ineffective if social and environmental impact reviews do not form the core of pre-implementation program reviews. Second, if staff are hired from among non-economists, staff level reform procedures should ensure that the intellectual outlook of interdisciplinary hires do not simply reproduce the world view of the organization’s existing staff – and, significantly of the ‘freshwater’ school of economics (See Wójcik et al., 2013 for a discussion of the intellectual divide within the economics discipline). Lastly, organization culture matters. While this is not widely
addressed in the literature on World Bank staff reform, the authors’ own research on the IMF’s staff culture illustrates this additional and significant caveat to staff level IO reform: if normative change is to take place, the flow of new ideas must find effective avenues to transmission and adaptation.

5. The IMF’s stakeholder outreach initiative: why organizational culture matters

This section looks at one specific reform initiative at the IMF that began in the early 2000s: a mandated outreach on the part of staff to civil society organizations (CSO) regarding the former’s loan programs. Initial guidelines for Fund staff, developed by globalization and civil society expert Jan Aart Scholte, were groundbreaking in their approach to how IMF staff ought to conduct engagements with CSOs (see IMF, 2003). It was the pressure of CSOs on governments, many of which were European, that convinced the IMF to pursue the development of the 2003 Staff Guidelines.

To test the efficacy of these guidelines one of the authors conducted an online survey questionnaire and sent it to approximately 1,500 civil society organization (CSO) contacts from a database provided by IMF communications staff. The IMF also provided a number of public notices on its website that invited CSOs to comment. A number of CSOs distributed the link to the survey on their networks. The online survey questionnaire was comprised of 20 questions that included basic identifying questions and a number of closed-ended questions that elicited specific feedback. Most of the substantive questions took the form of a Likert scale, while the rest consisted of a ‘yes’ or ‘no’ choice, or required respondents to make a selection from a predetermined list.

A total of 152 surveys were completed throughout July and August 2013. Most CSOs identify as non-governmental organizations (66 per cent) and operate either in one country (44 per cent) or internationally (46 per cent). Individuals surveyed had worked for more than ten years in their CSO (40 per cent), and had primarily engaged with the IMF in the past five years (60 per cent). To further enrich the survey findings, CSOs were invited to converse in scheduled focus groups at the IMF-World Bank Spring meeting in 2013, and again at the 2013 IMF–World Bank annual meetings. A number of interviews were also conducted with CSOs who completed the above survey and requested a follow-up conversation in August 2013.

CSOs surveyed noted that they had an overall positive or neutral experience with the IMF, although a minority reported that they had a negative view of the IMF (18 per cent). Overall, most CSOs believed the IMF facilitates access to information most or some of the time. A majority of respondents (63 per cent) believed the IMF had become more open and transparent. Notably, in focus group sessions, CSO staff noted that the current (at the time of writing) webpage, ‘IMF and Civil Society’, did not give them the opportunity to converse with the IMF. Rather, it merely provides a running news feed. Many CSOs voiced their frustration with not knowing who to contact with their questions regarding engagement and consultation.

Respondents to the survey also indicated that previous engagement with CSOs helped to improve communications among CSOs, to explain IMF activities and workings, and provided modest support for improving CSO understanding of IMF ideas and policies. When CSOs were asked about the extent to which IMF staff accepted and implemented CSO ideas, the response was more negative than positive: many CSOs (59 per cent) felt that IMF staff did not follow up on engagement. In focus groups, CSOs also expressed concern that engagement with the IMF ultimately amounted to window dressing, with little impact on policy design and implementation. When asked further about IMF consultation with CSOs early in the policy formation process (i.e. when...
program design is in the initial stages of planning), CSO response was also overwhelmingly negative. (see figures 1 and 2 for a detailed breakdown of survey results).

While CSOs found IMF staff to be knowledgeable about their countries and generally empathetic to a country’s economic situation, they found that the IMF was less inclined to be knowledgeable about a country’s political and social situation. As noted in focus groups, many CSOs continue to find engagement with Fund staff to be either largely ceremonial – too rushed to have a lasting impact; an afterthought in the broader process of loan program design – or simply too technical to allow for a two-way communication between staff and CSOs. A strong feeling of low follow-up after engagement was present among many of the surveyed CSOs, who also questioned whether their engagement with the IMF has had any real impact on IMF work flow.

How IMF staff view the outreach mandate guidelines

It appears that while civil society has improved its views of IMF intentions and attitudes towards Fund policies, Fund-CSO engagement remains largely a one-way stream: the process is controlled in an ad hoc and inconsistent way by a staff unclear about the purpose of engagement and the role of engagement in their job description.

Moreover, while the surveys carried out for the research presented here did not engage directly with instituting social accounting methods at the Fund, it is not unreasonable to suggest that some means of formal social accounting (i.e. institutionally mandated social accounting metrics) could be implemented by means of having the IMF’s Independent Evaluation Office review the staff’s civil society engagement efforts. Looking over the survey findings, it is interesting that Fund staff noted the potential problem of Executive Board interference with CSO outreach activities. This mirrors Mosse’s (2011a, b) findings on the World Bank’s staffing policy reform: staffing policy reform brings change if staff are allowed to innovate within the organization’s bureaucratic structure and to change the IO from the inside out.

A number of studies have characterized the Fund’s organizational culture as ‘technocratic’, (See Drazen 2002; Martin 2003; Momani 2005), which in this case may actually be useful in prescribing the kind of change that would be necessary for stakeholder engagement to be implemented as a mandated activity at the staff level. In 2010, the IMF’s Independent Evaluation Office surveyed 621 staff, asking: ‘How do the following describe the current organizational culture of the IMF?’ (IEO 2006, p. 49). Staff responses are noted below in Table 1.

Owing to its bureaucratic culture, the IMF values detailed documentation of its activities. Fund staff often note that this is both an asset and a burden. On the one hand, documentation of its activities is an organizational indication that an activity is valued; on the other hand, such documentation is a time-consuming process that can be frustrating for staff with already heavy time demands. In terms of IMF-CSO engagements, the lack of consistent, mandated, and structured reporting on CSO engagements is an indication to Fund staff that such an exercise is secondary to consultations with country officials (another indication that incomplete mandate reform is particularly problematic). Already burdened with heavily workloads and the reporting of the accomplishments associated with their daily activities, it is not surprising that Fund staff prefer a formal CSO outreach mandate to one that must, ultimately, be done in their already limited spare time.

Although a number of IMF staff stated that they would like to share more information with CSOs on discussions with country officials, they are actually prevented from doing so by Fund mandates and the Executive Board. There is some unease about how much information staff can...
on macroeconomic stability rather than social and political factors. As former IMF Managing Director, Michel Camdessus has reflected:

A change that is needed . . . is to broaden and deepen the culture of the staff and to reduce its ‘cloning syndrome’. The two central institutions [IMF and World Bank] would benefit greatly in selecting for their dialogues with officials facing the complexities of political life, staff members with national experience, or a broader culture in social studies than the one that is generally required for their recruitment. (Camdessus, 2005)

But effective reform, as shown in our article, cannot stop there. In addition to staffing more non-economist social scientists, the AIIB should recruit or borrow a high number of staff from other countries’ development and financial agencies. These recruits will provide the new MDB with more policy experience and are likely to enhance program implementation. To limit overly technical aspects of IO staff policy advice, the AIIB needs to hire less staff recruited straight from academic institutions, while expanding recruitment from mid-career positions and from national secondment (also see Evans and Finnemore, 2001, p. 25 on the IMF). Mid-career hires are more likely than recent graduates to challenge technical and conforming loan design programs: young and fresh-out-of graduate school recruits typically have less practical knowledge to offer the AIIB, relying instead more on theoretic, textbook analysis.

AIIB recruits drawn from university recent grads, many of whom have recently left a hierarchical academic environment where their subordinate position required deference to supervisors and faculty. Such staff are unlikely to infuse the organization with new ideas or practical policy advice. Mid-career hires, by contrast, will have more policy-related experience, bring in new ideas from their previous organizations, and will be less willing to withhold alternative ways of doing things to their superiors. This could go far in addressing the cultural-organizational rigidities discussed in section 5. Granted, mid-career candidates are harder to attract because they excel in their own institutions, and are less interested in moving to a new organization. If the AIIB location continues to remain Beijing, as being proposed, this may not be an attractive location for high quality staff; the advantages of cosmopolitan Hong Kong or Shanghai in attracting staff is something that the AIIB should consider.

As we have argued, hiring local knowledge experts to augment the core competencies of the staff is unlikely to be sufficient. The AIIB would be best served by making socioeconomic, environmental, and human rights goals a core, as opposed to complementary, aspect of staff operational mandate. Moreover, to encourage intellectual diversification, the AIIB should cast a wider net for economists, away from the usual set US and European universities, to more actively reflect the intellectual diversity of the economics profession globally (Jelveh et al., 2014).

Table 1. Select staff views of IMF organizational culture

<table>
<thead>
<tr>
<th>Organizational culture</th>
<th>Surveyed (621)</th>
<th>Entry level staff (234)</th>
<th>Senior level (164)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hierarchical</td>
<td>87.9%</td>
<td>90.4%</td>
<td>87.7%</td>
</tr>
<tr>
<td>Technical/economistic</td>
<td>74.9%</td>
<td>76.1%</td>
<td>75%</td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>74.2%</td>
<td>78.7%</td>
<td>66.3%</td>
</tr>
<tr>
<td>Homogeneous/conforming</td>
<td>60.5%</td>
<td>62.1%</td>
<td>66.3%</td>
</tr>
</tbody>
</table>

Source: Adapted from IEO (2006, p. 49).

share, even though the media often reports a great deal of information that the Fund staff do not divulge themselves. Staff would therefore like more support from management when misinformation is leaked to media via the outreach process. Creating formal channels for sharing this information (and protecting shared information) through CSOs would make information flows less contested and more reliable. CSOs have also stated that they are often not given enough notice to properly prepare for consultation with the IMF, further diminishing the fruitfulness of staff-CSO discussions.

The bottom line, again, adds to the findings of earlier research on the World Bank’s staff diversification policies. First, making economists take on roles beyond their areas of expertise by means of stakeholder outreach does not yield very impressive results. Engagement mandates must be accepted and mandated at the managerial level in addition to the program implementation level. This problem is not unique to the IMF. World Bank staff have recently noted its ‘culture of intimidation,’ which does not allow them to raise and implement stakeholder concerns in accordance with the Bank’s social safeguard policies (Chavkin, 2015). This speaks to the persistently half-hearted approach to staff-level reforms that often take place in international financial institutions and MDBs alike.

Some proposals for an effective AIIB

This article has argued that staffing policy must be at the forefront of discussions surrounding the transformative potential of the AIIB. It suggested key three lessons from staff-level policy reforms hitherto undertaken in the World Bank and IMF. First, half-hearted or incomplete policy mandate reform is likely to derail attempts at disciplinary and intellectual diversification; second, hiring staff from different disciplines does not safeguard the AIIB from ‘intellectual monocropping’; and third, the IO’s organizational culture should be receptive to new ideas.

To safeguard against the intellectual monocropping, a starting point for the AIIB would be to hire less from the economics profession. Country borrowers consistently complain that IMF and World Bank staff can be inattentive to local circumstances, and that agreements are overly focused...
Notes

1. The survey questionnaire was posted on-line through purchasing an exclusive domain from Qualtrics an international firm that specializes in on-line research instruments. Qualtrics provides the Internet domain, ensures its security, and provides statistics about the number of times the instrument was accessed. The Qualtrics general website can be accessed at: http://www.qualtrics.com/

2. Survey results were based on a 5-point scale where ‘5’ means ‘describes completely’ and ‘1’ means ‘does not describe at all’. After careful review of the IEO report it appears that the survey results corresponded to those who reported ‘5’ or ‘describes completely’. However, the IEO did not respond to email requests for verifying this inference. See IEO (2006).

References


**Author Information**

Anton Malkin is a PhD Candidate at the Balsillie School of International Affairs and a Research Associate at the Centre for International Governance and Innovation in Waterloo, Ontario, Canada. From 2012 to 2013 he was a Senior Visiting Researcher at the School of International Studies in Peking University and a Canada-China Scholars Exchange fellow. His research focuses on China’s role in the global financial and monetary system.

Bessma Momani has a Ph.D. in political science with a focus on international political economy. She is Professor at the Balsillie School of International Affairs at the University of Waterloo, senior fellow to the Centre for International Governance and Innovation, and a 2015 Trudeau Fellow. She is a Non-Resident Senior Fellow at the Brookings Institution and a Fulbright Scholar. Dr. Momani is a regular contributor to national and international media on the Middle East and on global economic governance issues.