

Reshape the “New” World Bank

Name: Lie Chun Pong

Sch: HKUST

doi.org/10.51505/IJEBMR.2025.91110 URL: <https://doi.org/10.51505/IJEBMR.2025.91110>

Received: Oct 24, 2025

Accepted: Nov 03, 2025

Online Published: Nov 20, 2025

Abstract

The World Bank, initiated in 1944 during the Bretton Woods Conference, is a prominent international financial organization that provides loans to developing countries to foster economic growth & reduce poverty. It officially began operations in 1946, initially focusing on financing Europe’s post-World War II reconstruction. Over time, it expanded its scope to include global sustainable development and poverty alleviation efforts. The World Bank Group (WBG) consists of five organizations: IBRD, IDA, IFC, MIGA, and ICSID [1][2][3][4][5]. In this research paper, we aim to revise, modify and reshape the World Bank's functions, especially concerning the initiative for a world currency system. This reform is part of the systematic overhaul called the Prelude. The goal of this prelude is to strengthen the World Bank's role by increasing its influence and monitoring capabilities, with the aim of ensuring currency stability and supporting global economic prospects.

Keywords: Bretton Woods Conference, Reshape World Bank, Reshape, New World Bank Organization.

Methodology:

This research article is based on an extensive systematic review of World Bank reports, analyzed studies sourced from reputable databases like WorldBank.org. The focus is on examining different types of economic research, including case studies and meta-analyses, all published within the timeframe from 2011 to 2025. This study concentrates on several key variables, including indicators of the economic job market and economic conditions, such as the CPI index, as well as socioeconomic factors like GDP level that could influence global economic outcomes. This detailed and methodical approach aims to clarify the complex relationships within the broader societal context. It supports our idea of reshaping the “new” World Bank.

Introduction:

The World Bank, established in 1944 at the Bretton Woods Conference, is a leading international financial institution that offers loans and grants to developing countries to support economic development and combat poverty. It started processes in 1946, primarily to finance Europe’s reconstruction after World War II. Over the years, its focus has broadened to encompass global sustainable development and poverty reduction initiatives [1][2][3][4][5].

Lately, the World Bank's strategic mandate has evolved to prioritize the eradication of extreme poverty and the promotion of shared economic prosperity, with a progressively heightened focus on environmental sustainability and the mitigation of environmental impacts. Its multifaceted initiatives span critical sectors such as educational development, public health, infrastructure financing, agricultural productivity, environmental conservation, and governance reform. In recent years, the institution has integrated comprehensive social and environmental safeguard policies into its operational framework to ensure sustainable development outcomes, collaborating extensively with non-governmental organizations (NGOs), development agencies, and private sector partners. For instance, the International Bank for Reconstruction and Development (IBRD) extends sovereign loans to middle-income and creditworthy low-income countries, facilitating cross-border infrastructure projects and institutional capacity building. The International Development Association (IDA) provides concessional loans and grants targeted at the poorest nations to support their social and economic development programs. The Multilateral Investment Guarantee Agency (MIGA) offers political risk insurance, credit enhancement, and investment guarantees to attract foreign direct investment in developing markets, thereby facilitating private sector engagement [6][7][8][9][10].

In this context, as the geopolitical and economic functions of the World evolve, it becomes imperative to transition its operational focus from solely providing financial assistance through loans to developing nations, toward a more comprehensive engagement that involves active intervention and oversight of the international monetary system. This strategic shift aims to enhance macroeconomic stability, mitigate systemic risks associated with global currency fluctuations, and promote sustainable economic growth. Such an approach necessitates implementing robust monitoring mechanisms to oversee exchange rate policies, capital flows, and monetary policy coordination among nations, thereby fostering a more resilient and stable global financial architecture.

This research paper aims to explore, reshape, and strategically recalibrate the conceptual framework of the contemporary "new" World Bank. This institution, as it currently functions, epitomizes a complex, multifaceted development organization that extends beyond its original post-World War II reconstruction mandate, now prioritizing sustainable development initiatives, multidimensional poverty alleviation strategies, and resilience measures. The overarching objective of this discourse is to elucidate the pathways through which the hegemonic influence of the World Bank can be aligned with the broader objectives of a forthcoming global monetary system, emphasizing the preeminence of a unified, stable, and resilient international currency architecture.

Discussion:

Enhances currency confidence

Some people may ask why it is necessary to reform the World Bank and expand its role, transforming it into a supranational bank that governs and controls the currency supply, as the IMF does. Will this new initiative proposed in our paper have any overlap between these two

organizations? In fact, the future “new” World Bank will evolve alongside with IMF, so that the new World Bank will have functions to monitor interest rates and the money supply worldwide, similar to the ECU central bank today. The IMF will also retain its unique functions as a branch of the new World Bank. The concept resembles a division or subdivision of a larger entity, where each department handles its specific responsibilities. The main role of the new World Bank will be to act as a central bank, determining each country’s optimal money supply and interest rates. Decisions on the global currency's money supply will depend on individual countries’ debt ratios, trade conditions, and most importantly, their economic GDP growth. Since currently, the global currency market faces instability, oversupply, and high inflation, which often leads to economic collapse, particularly following the after period of the Bretton Woods system. Oversupply of currency tends to be an issue mainly in developing countries, but recently, this trend has spread to some developed countries as well. Therefore, reshape and rebuilding confidence is our primary concern.

To effectively restore and bolster confidence in the currency, it is essential to undertake a comprehensive strategy focused on redefining the currency infrastructure and establishing a new organizational framework. This approach involves implementing financial innovations such as new global currency, enhancing monetary policy transparency, and reforming institutional governance by reshape the new world bank to increase credibility and trust among stakeholders. By doing so, confidence reshaping can be achieved through the development of a resilient, transparent, and credible monetary system that aligns with advanced economic principles.

Market-based indicators can offer valuable insights into confidence; likewise, GDP, we must take care of. As you may know, the GDP is often seen as a significant market confidence indicator, through financial market data like exchange rate stability, reserve adequacy ratios (such as gross reserves to monetary base), and interest rate spreads. These factors help us understand how much investors trust a currency’s value and how well a country can support it. This indicator can provide useful tools for assessing a country’s stability or not.

Additionally, indicators that reflect the expectations and sentiments of economic agents such as consumers, firms, and investors regarding the future economic outlook include the Consumer Confidence Index (CCI) and the Purchasing Managers Index (PMI). Essential measures encompass indices like the Consumer Price Index (CPI) and economic sentiment indices, which compile perceptions of production, prices, and financial conditions.

Moreover, this research paper also emphasizes that the most important thing to restore the confidence of the currency is to make the price level stable, which means stabilizing the price level is the key to restoring the confidence of a currency, especially when a country is already collapsing with zero confidence left in the government. Then the “new” World Bank can play a major role in restoring confidence as a major party.

More substantial confidence in currencies is reflected in positive market signals and outlooks. This kind of optimism can help create a smoother economy and greater financial system stability by easing uncertainty, reducing financial risk premiums worldwide.

Suggestion:

Governance of the world's new currency system

The newly established World Bank will function as an autonomous legal entity endowed with the mandate to oversee the governance and operational management of the global currency infrastructure, with a particular emphasis on the administration of the Special Drawing Rights (SDR) mechanism. Each designated infrastructure asset pool will comprise sovereign states grouped according to their SDR allocations, effectively serving as collective issuance rights analogous to expanded monetary base increments within the international monetary system. Operational and sustainability the system will be financed through revenue generated by infrastructure utilization, with additional funding potentially sourced from associated with the operation of the world currency system. This setup aims to ensure sustainability and liquidity provision within the international monetary architecture, while fostering transparency and adherence to sound macroeconomic and macroprudential standards. The allocation of the money supply will mainly depend on the size of the country's economic condition.

A infrastructure-based backed reserves

We hope to build a global currency reserve system to collectively have a widely accepted currency for trade and reserves. In this paper, we suggest establishing an infrastructure anchor based on the reserve currency. This currency system is designed to work well with a fair trade system, supported by infrastructure as the foundation of the reserves. Every country can contribute. Especially, the goal of this new world currency system is to stabilize the price level and promote a fair trade system. That way, everyone can be satisfied with it.

An infrastructure-backed reserve should be regarded as an infrastructure asset that will leverage the new world united currency. It will function as a backup reserve to support the global currency. An infrastructure-backed reserve will be considered as an acceptable circulating backup that supports the new world currency. Which can serve as a part of the function of the "new" World Bank.

The primary objective of the infrastructure-backed backup reserve is to function as a foundational mechanism supporting the implementation of a globally unified currency system. This reserve aims to facilitate the development of an equitable framework by providing a stable financial platform that ensures liquidity and economic resilience. Its strategic role is to underpin monetary stability, mitigate exchange rate volatility, and foster fiscal discipline across participating economies, thereby promoting a more integrated and sustainable international monetary environment. That is our initiative to reshape the "new" World Bank major objective.

In addition, it is essential to assess potential impacts and promote resilient design and decision-making. We suggested to setup a new arbitral tribunals that they will exclude the potential risk. To mitigate potential conflicts arising from resource allocation, we propose establishing an internationally governed arbitration institution dedicated to regulating and overseeing the global currency system, such as the International Chamber of Commerce International Centre for Arbitration (ICC). This institutional framework would serve as a neutral body to resolve disputes related to the utilization and allocation of Special Drawing Rights (SDRs) within the new international currency infrastructure. The creation of such a dedicated arbitration mechanism would facilitate efficient dispute resolution, enhance institutional trust, and promote stability in the implementation of the global monetary governance system.

The future Blueprint of the New World Bank

So far, we have outlined the foundational framework for the operational roles of the newly established World Bank. These core functions include: firstly, the surveillance of monetary aggregates, specifically focusing on the money supply and the associated interest rate policy to ensure macroeconomic stability; secondly, the oversight of the international trade settlement system, which facilitates efficient cross-border transactions and promotes global economic integration; and finally, the critical monitoring and control of inflation, represented by the price level index, to maintain price stability and foster sustainable economic growth. These functions collectively aim to stabilize economic variables, promote efficient resource allocation, and support global financial stability.

The main purpose of reshaping the new “World Bank,” as previously mentioned, is to prepare for a critical moment that will undoubtedly occur in the near future. So, we must act now to avoid the disaster that will happen. The reshaping of the new “World Bank” is just our initial move. This is only the story of the beginning, the final destination is reshaping the global currency and financial system. The purpose of this reshaping is to systematically prepare for the worst scenario, which will happen, such as an economic disaster or a collapse of the money and currency system. In other words, it is only the prelude to the story of the world currency.

In Conclusion:

This research paper aims to reshape the World Bank through a paradigm shift within the institution, redefining its structural and operational frameworks to adapt to emerging global economic realities. This initiative reshapes the “new” World Bank, which can serve as a preliminary step toward the conceptualization and potential implementation of a unified global currency system, which could facilitate enhanced monetary stability and financial integration across nations. Our primary objective is to reform and recalibrate the international monetary and fiscal architecture, fostering a more cohesive and resilient financial ecosystem. By fostering international collaboration, we aspire to lay the groundwork for a more stable and inclusive global economic order. Together, through strategic collaboration and consensus-building, we can forge a more sustainable and equitable economic future that benefits all nations.

References:

- World Bank. (2012). World Development Report 2012: Gender Equality and Development. The World Bank Group.
- World Bank. (2018). World Development Report 2018: Learning to Realize Education's Promise. The World Bank Group.
- World Bank. (2019–Present). Country and Sector Reports. The World Bank Group.
- World Bank. (2021). World Development Report 2021: Data for Better Lives. The World Bank Group
- World Bank. (2022). World Development Report 2022: Finance for an Equitable Recovery. The World Bank Group.
- World Bank. (2023). Higher Education for Development. The World Bank Group.
- World Bank. (2023). Annual Report 2023. The World Bank Group.
- World Bank. (2024). Global Poverty Indicators. The World Bank Group.
- World Bank. (2025). Future of Jobs Report. The World Bank Group.
- World Bank. (2025). World Development Report 2025. The World Bank Group.