

Mastercard CEO To The President of the World Bank- Shining Indians

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Indian-origin Ajaypal Banga has been selected as the new President of the World Bank. While the key priority for the World Bank President would be to deal with the economic disruptions arising out of the Russia-Ukraine crisis and other geopolitical challenges, one of his important tasks would be to reduce the increasing distrust and scepticism, in developing countries, vis-à-vis the World Bank.

Ajaypal Banga – New President of World Bank

Ajaypal Singh Banga who took over as President of the World Bank in May 2023 has been named in the ‘*Great Immigrant list*’ of the Carnegie Corporation of New York. The Carnegie Corporation of New York founded by Scottish immigrant Andrew Carnegie is currently led by Irish immigrant Dame Louise Richardson. The Corporation celebrates the contribution of naturalised citizens “*who have enriched and strengthened*” the US with their contributions in different spheres, and honours them on every fourth of July, which is celebrated as America’s independence day. Out of 35 immigrants, Banga was the only individual of Indian origin to have been included in this list this year.

Personal Background

Banga who is the first Indian-American to lead World Bank, has held important positions in top multinationals. He was the CEO of Mastercard from 2010-2020 and before being appointed head of the World Bank he was the Vice-Chairman at General Atlantic (he had

taken over as Vice Chairman on January 1, 2022). Banga was also appointed as a member of the President's Advisory Committee for Trade Policy and Negotiations (2015) and he was one of the members of the Commission on Enhancing National Cybersecurity (2016). Banga also served as a Co-chair of the Partnership for Central America (PCA), a coalition of private organizations seeking to enhance economic opportunities across underserved populations in El Salvador, Guatemala, and Honduras.

Indians in multilateral organisations

Several Indians have served in top positions in international organisations like the World Bank, International Monetary Fund and United Nations (UN). Gita Gopinath (also a US citizen like Banga) has been serving as the first Deputy Managing Director of the IMF, since January 2022. Also, former Deputy Chairman of India's Planning Commission (now referred to as Niti Aayog) during the Manmohan Singh-led UPA government, Montek Singh Ahluwalia, had served as Director Independent Evaluation Office (2001-2004) before returning to India to head the Planning Commission. Ahluwalia held many other important positions at IMF. Former Reserve Bank of India Governor (2013-2016), Dr Raghuram Rajan was Chief Economist at the World Bank. Here it would be important to point out, that prominent Congress leader, MP from Thiruvananthapuram and Former Union Minister, Dr. Shashi Tharoor had also, served as Under-Secretary-General for Communications and Public Information at the United Nations (2001-2006). Tharoor was India's candidate during the 2006 election for UN Secretary-General but lost to Ban Ki-Moon. Former Prime Minister, Dr Manmohan Singh had a short stint at the United Nations Conference on Trade and Development (UNCTAD) before taking over as s Secretary General of the South Commission in Geneva from 1987-1990.

Banga's success is unique because earlier individuals who have been successful have been from the policy sphere or academia.

Diversity

The World Bank Chief, a practising Sikh, conspicuous by his beard and turban, has often spoken about the importance of diversity. While referring to his own distinct appearance, Banga while speaking at the New York University's Stern Business School commencement address in 2014 said: *"My passion for diversity comes from the fact that I am diverse. To state the obvious, I tend to stand out in a room – turbans and beards will do that to you. You stand out in a room"*

While referring to the importance of diversity, Banga stated: *"..a group of similar people tends to think in similar ways, reach similar conclusions, and have similar blind spots"*

Indian Diaspora's Success in the US

Banga's elevation to the position of World Bank Chief is a reiteration of the ever-increasing success of the Indian diaspora in several spheres – not just medicine but also law, IT and entrepreneurship. Several Indians currently head US tech companies and have also made a mark in US politics. The strongest reiteration of Indians making a mark

in US politics is the fact that current US Vice President Kamala Harris, the first woman to have reached this position, is of Indian origin. Also one of the possible Republican contenders for the position of President. Nikki Haley Randhawa, in the 2024 election, is also of Indian origin. While underscoring the success of Indians in US politics, Indian PM Narendra Modi in an address to the US Congress referred to Kamala Harris. The PM also referred to the 'Samosa caucus' a group of elected representatives in the US Congress of South Asian origin.

Said Modi: *"I am told that Samosa Caucus is now the flavour of the House. I hope it grows and brings the full diversity of Indian cuisine here,"*

The new World Bank Chief: Can he reduce the distrust in the developing world?

Banga's current role as head of the World Bank is interesting because apart from his success in the corporate sector, one of the reasons he was handpicked by the Biden Administration was for his understanding of the developing world. US President, Joe Biden commented on this aspect: *"Ajay has a unique perspective on the opportunities and challenges faced by developing countries and how the World Bank can deliver on its ambitious agenda to reduce poverty and expand prosperity."*

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After taking over as World Bank Chief, Banga made it clear that climate change will be high on his priority list. While speaking at the "Summit for a New Global Financial Pact" in Paris, Banga offered several measures to help developing countries tackle natural disasters – including a temporary pause in debt repayments to the World Bank. Several leaders from developing countries pointed to the pitfalls of the current global financial system – referred to as Bretton Woods and said that mere tinkering of institutions was inadequate. United Nations Secretary-General Antonio Guterres, said that the current financial system has exacerbated 'inequalities'. Several countries including India, as Chair of G20, have flagged the shortcomings of international financial institutions and the need to be more sensitive towards the aspirations of the Global South.

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While the key priority for the World Bank President would be to deal with the economic disruptions arising out of the Russia-Ukraine crisis and other geopolitical challenges, one of his important tasks would be to reduce the increasing distrust and scepticism, in developing countries, vis-à-vis the World Bank. This is a demanding responsibility, but through his varied experience in diverse geographical settings, his understanding of the developing world due to his personal background, as well as his understanding of complex issues like climate change he can take some important steps.

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