

## The IMF in a World of Global Fragmentation: Intra-American Discourse<sup>1</sup>

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### Abstract

*The article is devoted to forecasting the ways of possible evolution of the International Monetary Fund due to the change in the position of the United States. The purpose of the article is a comparative analysis of the approaches used by the most influential American political and ideological groups. Special attention is paid to the study of assessments and perceptions of American experts and politicians regarding the potential of using the fund to implement anti-Chinese policies, attract countries of the global South to their side, mitigate financial crises, stabilize the economic situation, and transition to a post-global economy. While agreeing with the inevitability of fragmentation, most groups of the American elite agree that the IMF should be preserved as the most important tool for global financial and economic stabilization of the transition period. On the issue of the IMF's mandate, all groups of Democrats have more or less supported the policy of its “liberal expansion,” while Republicans demand to focus on traditional functions. As for using the potential of the IMF in the anti-Chinese policy of the West, some of the participants in the discussion believe that this can be done through a revision of quotas, while other groups believe that such concessions could lead to the loss of U.S. control over the fund's decisions and resources. It is concluded that, given the relative balance of power in the framework of the discussion on the fate of the fund, one can hardly expect sharp movements towards reforming the IMF, even after D. Trump came to power.*

**Keywords:** global fragmentation, IMF, USA, political and ideological groups, reform, China, developing countries, emerging markets

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## INTRODUCTION

One of the characteristic features of the world order of the 2020s is the process of disintegration of the previously unified fabric of global financial, economic and trade relations, which is often referred to as global fragmentation. Since the United States is most involved in this process, the American political class is actively discussing the possibility of influencing the fundamental changes that are taking place. Particular attention is paid to the role of individual multilateral institutions, including the International Monetary Fund (IMF). Sergey Lavrov pointed out the importance of the latter for American foreign policy. Presiding over a meeting of the UN Security Council in April 2023, he stressed that the IMF was “finally turning into a tool for achieving the goals of the United States and its allies, including military objectives” [Foreign Minister Sergei Lavrov's remarks, 2023].

As you know, the IMF was created in 1944 as part of the Bretton Woods Conference, together with its “twin brother” - the International Bank for Reconstruction and Development (which gradually turned into the World Bank – WB). At the same time, the IBRD was conceived as a credit institution focused on long-term development and social projects, and the IMF was supposed to become an “overseer” of monetary policy and exchange rates to ensure the stability of world markets based on the gold-dollar standard.

However, in 1971 the United States abandoned pegging the dollar to gold, which led to the creation of the Jamaican Floating Exchange Rate System. As a result, a number of debt crises occurred in Latin American countries in the early 1980s. In this situation, the IMF has found a new use for itself – loans have been provided to countries in need in exchange for meeting the specific conditions of the fund in order to “heal” them, entailing the neoclassical paradigm of “belt tightening.” The new model functioned satisfactorily until the turn of the XX-XXI centuries. However, the modest results of the IMF's fight against the Asian financial crisis have led many governments in the global South to question the effectiveness of the scheme. They began to distance themselves from cooperation with the fund, which jeopardized its credibility and even legitimacy, i.e. the recognition by the fund's members of its right to form and implement a common financial and economic policy.

This development has made Western elites realize the need to regain confidence in the IMF. This required reforms that demonstrated the possibility of redistributing power and influence within the fund in favor of developing countries. At the same time, several policy options regarding the mentioned institution were promoted.

Thus, low- and middle-income countries demanded a review of the aid methodology itself, i.e. to move away from the imposed programs of “suffocating” budget savings to development assistance through support for the real sector. However, the United States, which controlled the decision-making process at the IMF, categorically did not accept this approach.

A significant part of the American elite considered another reform option acceptable – to gradually change the balance of power within the IMF by transferring part of the voting shares (or quotas) to underdeveloped countries, but without losing Western control over final decisions. At the same time, it was proposed to weaken the opposition of the countries of the global South through the allocation of SDRs<sup>2</sup> based on cash quotas (although developed countries received more benefits). Since the crisis of 2008-2009, several attempts have been made to use this approach to reform.

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<sup>2</sup> Special Drawing Rights (SDR) are a reserve and payment instrument issued by the IMF.

With the strengthening of the center-left trend in the West in the late 2010s, the IMF leadership, led by K. Georgieva, attempted to reform the fund by adding to the agenda (along with stabilization loans and economic supervision) financing programs to combat the problems of the pandemic, climate change, food shortages, poverty, etc. The most important step on this path was the creation of in 2022 the Resilience and Sustainability Trust (RST).

The most radical approach, which was to liquidate the IMF or withdraw the United States from it, was supported by the conservative anti-globalist part of the American political elite, in particular by some members of the D. Trump administration (although the president himself approached this issue with caution).

Finally, Biden, having become president in 2021 and being in dire need of the support of the countries of the global South, agreed with the largest allocation of SDRs (by \$650 billion) and another revision of quotas, as well as the expansion of the fund's agenda proposed by K. Georgieva.

Thus, since the beginning of the 21st century, there has been a tendency in the United States for various forces to control and direct the IMF. Accordingly, the purpose of the article is to identify the range of views of the most influential American political and ideological groups on the direction and nature of the IMF's activities, which may to some extent contribute to predicting future steps by the US government regarding the fund.

## LITERATURE REVIEW

It should be noted that the structure of political and ideological groups in the United States has already been sufficiently studied. Western researchers generally agree that the most influential groups in both leading parties are evolving in three main directions – liberal, moderate and conservative. Accordingly, the groups consider international processes and the tools used in it, including multilateral institutions, in different interest systems [Pew Research Center, 2014; Belin, Ruge, Shapiro, 2023]. It should also be noted that the Russian study of the topic of group activity began to be developed not so long ago [Shenin, 2016].

As for the IMF itself and the directions of its reform, as well as the success of its transformations, the Russian scientific literature evaluates mainly from two points of view. On the one hand, the authors believe that “the Fund's reforms are aimed at achieving equal and fair representation of developing countries” [Shugurov, 2014; Neshataeva, 2021]. Another part of the researchers believes that the IMF's policy is more determined by the national interests of the United States than by the problems of the international community. [Chuvakhina 2014; Khejsets, Pravdyuk, 2020].

In the American literature, there is a more diversified view of the US attitude towards the IMF reforms. Basically, the differences are fixed according to the party and political preferences of the authors.

Thus, experts leaning towards neoliberal circles in the Democratic Party consider the IMF to be an exceptionally useful institution and demand its adaptation to a new medium-term strategy consisting of “industrial policy,” financial architecture, and a climate agenda [Allan, 2023; Bhattacharya, Kharas, 2023]. The authors, who are close to left-wing movements, are in fierce opposition to belt-tightening programs, ignoring human rights by the foundation, and insist on strengthening the institute's “democratic accountability” [Adler, 2022; Stancil, 2022]. Analysts focused on the right flank of the Democrats have a positive assessment of the IMF, but there are demands to increase its geopolitical effectiveness [Setser, Turner, Weilandt, 2024].

Researchers who share the views of the Republican segment of American politics argue that it is necessary to control the IMF more tightly and force it to work in a more pragmatic manner, which primarily concerns the confrontation with China. At the same time, conservative analysts argue that due to the liberal influence of the IMF, it does not work in the interests of the United States [Schaefer, Primorac, Kim, 2023], and if this problem cannot be solved, then it is better to eliminate it altogether in the future [Schonhardt, Waldman, 2024]. However, some of them are not so radical, believing that all issues can be resolved by getting rid of the “leftist influence” on the foundation of its current leadership – in this case, it will be able to play an important role in bringing the West closer to the countries of the global South and, consequently, in pursuing anti-Chinese policies [Lachman, 2022; Nordquist, Katz, 2024].

## SCIENTIFIC AND THEORETICAL BASIS OF THE RESEARCH

The research of leading Western economic theorists, which were used as the ideological foundation of political groups in the United States, is chosen as the scientific and theoretical basis of the article. For example, the concept of monetary regulation, as well as the idea of J. M. Keynes' bancor as the prototype of SDR [Keynes, 2016], formed the basis for the creation and evolution of the IMF and are reflected in the ideologies of groups adhering to an ethnic bias. A liberal point of view on how the IMF went through the period of transition from Keynesianism to neoclassical theory and how this transition affected its functioning is given by the works of M. Friedman [Friedman, 1998], J. Sachs [Sachs, 1989] and P. Volcker [Full text, n.d.]. To analyze the current stage of the IMF's activity in the context of the crisis of the neoclassical economy, the work of J. Stiglitz [Stiglitz, 2003], P. Krugman [Krugman, 2012], and M. Weisbrot [Weisbrot, 2016], which became the basis for the approaches of left-leaning groups.

## DISCUSSIONS IN THE USA

### *The Biden Administration and the IMF*

As noted above, the arrival in the White House of Democrat J. Biden outlined the center-left turn of the administration's policy towards the IMF. However, by 2023, the situation had already changed – it became obvious that in the context of the escalating geopolitical confrontation, the fragmentation of the global economy and the disintegration of the global financial system were taking place. The leading world powers, under the slogans of “national security” (primarily the United States and the EU), began to massively use of protectionist measures of all kinds – sanctions, trade wars, the imposition of labor standards, capital controls, etc. This meant that the trend towards global market liberalization was finally replaced by the so-called “industrial policy”. The content of the latter was in strict contradiction with the basic principles of the IMF, based on unconditional support for free trade and competition rules, where the role of government is limited to ensuring the functioning of the market. This model is used by the IMF as a regulatory framework for assessing the economic performance of member countries and making recommendations, including anti-crisis reform programs.

Ignoring the protests of K. Georgieva and her colleagues from the World Bank, President Biden formulated the final version of the administration's approach to IMF reforms in early October 2023 during a speech at the G20 summit. He said that developed countries should collectively increase the capital of the fund and the bank by \$200 billion. The United States will

allocate an additional \$21 billion for the IMF, but without a new allocation of SDRs and quota changes, because such a revision would allow China to move from third to second place in the fund's rating, significantly increasing Beijing's influence [Smith, Politi, Williams, Kynge, 2024].

Thus, by the end of 2023, the administration proposed a rather limited version of the IMF's transformation. It implies abandoning the previous policy of promoting the leftist agenda through the fund's channels and returning to the traditional mandate, as well as attempts to use the fund to “contain” China by revising quotas and modernizing the SDR allocation mechanism. It can be assumed that this turn indicated the desire of the White House to seek compromises with the internal opposition.

As you know, the nature of the reforms of the Bretton Woods institutions and the amount of their funding are controlled by the American Congress, where decisions are made based on a balance of interests of a wide variety of political and ideological groups. The most influential of these are three groups in the Democratic Party (neoliberal Centrists, conservative Democrats, and Progressives) and three in the Republican Party (moderate Conservatives, Trump Conservatives, and Neoconservatives).

### *Neoliberals: The dilemma of legitimacy*

The neoliberal centrists are the group of Democrats closest to the Biden administration. Its politicians and experts<sup>3</sup> mostly support the administration, agreeing that the fragmentation of the global economy is inevitable [Hamilton, 2022] and that it needs to be reformatted in the medium term (for example, through structures such as AUKUS<sup>4</sup>).

Nevertheless, the institutions of globalization, in their opinion, must be preserved to solve the crisis problems that may arise in the near future, at the expense of collective resources. It is especially important to monitor the IMF, with the help of which it is possible to slow down the process of destabilization of the dollar system, slow down the rapid rise of economic opponents in the person of China and maintain influence in the region of the global South. Finally, they continue to insist on the need to use the fund to address challenges related to climate change, as well as socio-humanitarian aspects, including food shortages and pandemic threats.

However, they have to take into account that as long as the management of the fund is in the hands of the West, developing countries do not count on the honest use of IMF resources. Accordingly, the United States is faced with a dilemma: on the one hand, reforms are needed aimed at increasing the legitimacy of the institution through the growing influence of emerging markets, but, on the other hand, control over the fund's operations cannot be allowed to weaken.

To achieve these goals, the neoliberals propose to implement the traditional model of reforming the IMF's governance system for the 21st century. The main feature of this program is the modernization of the Board of directors in order to “reflect the best practices of corporate governance.” The proposed reforms also include changing the formula for calculating IMF quotas, increasing the role of SDR and reducing the interdependence between voting quotas and contributions from individual countries [Abedin, Coulibaly, Ghanem, Prasad, Uy, 2024]<sup>5</sup>.

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<sup>3</sup> Among the most influential legislators representing the interests of the group are Senators M. Kelly, Ch. Schumer, and R. Menendez. The main analytical center is the Brookings Institution.

<sup>4</sup> AUKUS is a trilateral military-political bloc formed by Australia, the United Kingdom and the United States.

<sup>5</sup> Quotas determine not only the government's contribution payments, but also the number of votes, the amount of funding that a country can receive from the IMF, as well as its share in the allocation of SDRs. The IMF's quota formula consists of four components: GDP (50%), economic openness (30%), volatility (15%), and the country's international reserves (5%).

The idea is also proposed that the IMF itself should make decisions on the issue of SDRs in the event that there is an urgent need for an influx of global liquidity, and that such a step cannot be blocked by one or two major shareholders of the fund. In addition, it is stated that it is necessary to develop mechanisms to provide SDRs to the most needy countries, rather than continuing their distribution in accordance with the existing quota formula. Finally, the fund should engage in analytical research not only in the field of threats to financial stability, but also in determining the intensity of greenhouse gas emissions, as well as ways to mobilize resources to mitigate and adapt to climate change [Bhattacharya, Kharas, 2023].

### ***Progressives: “Democratic accountability”***

Representatives of the progressive faction<sup>6</sup> in the Democratic Party believe that it is not necessary to accelerate the destruction of globalization by fragmenting the world economy. Globalization needs to be transformed within the framework of “green transit.” As a result, it is possible to mitigate (or even prevent) the climatic “existential threat”, as well as weaken the prevailing imperialism and monopolism with which the West exploits the countries of the global South.

The IMF can be a useful tool for such a transition, according to leftists, but they do not like the existing fund because of its programmatic provisions on privatization, austerity, minimal government, and a market without government intervention. Despite all attempts to reform it, it remains an instrument of exploitation of the countries of the global South by Western imperialism. The “recovery” model used by the fund, based on fiscal austerity, not only leads to an economic downturn and creates excessive difficulties for the population, but also does not allow achieving even narrow goals to reduce the budget deficit and increase the country's ability to pay off debts [Stiglitz, Weisbrot, 2022].

Progressives indignantly point to the double standards applied by the IMF, i.e. the fund “warns rich countries against austerity, at the same time forcing poorer ones to it.” Even the “leftist” K. Georgieva openly pointed out that the bloc of wealthy countries should not jeopardize the recovery of their economies through the “suffocating force of austerity.” Finally, the introduction of austerity measures that exacerbate poverty and inequality, hinder countries' efforts to achieve climate change goals, social stability, and have even played a key role in fueling revolutions.

The group's experts and politicians are confident that the IMF is abusing its power, including by defiantly ignoring human rights. This is natural for an institution that does not obey either the laws of its member states or the UN. The end of the fund's impunity and lack of control can be achieved only by creating effective accountability mechanisms and defining who makes decisions and how these decisions should be implemented [Adler, 2022].

Although the progressives have not presented a clear program of action to improve the work of the IMF, they nevertheless propose some radical measures to improve the fund's “democratic accountability.” First, it is necessary to appeal to the International Court of Justice, which must compel the fund to respect human rights. Secondly, the IMF must sign the Vienna Convention on International Treaties of 1969, which will enable national legislatures and international courts to verify the fund's agreements. Thirdly, it is necessary to transfer the IMF to the jurisdiction of the

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<sup>6</sup> The most active defenders of the theory and practice of progressivism are B. Sanders, E. Warren, A. Ocasio-Cortez, E. Markey. The Progressive Policy Institute stands out among the analytical centers of this orientation.

ECOSOC<sup>7</sup>. Fourth, it is necessary to create a framework for using national judicial systems in order to hold local officials accountable for the results of signed agreements with the IMF [Stancil, 2022].

### ***Conservative Democrats and a “small correction”***

The leaders of the conservative Democrat group<sup>8</sup> believe that the Biden administration has taken a course towards deglobalization too sharply, and that a long and gradual exit from globalization without sharp fragmentation is needed. Therefore, it is necessary to preserve the basic foundations of globalization for as long as possible, rebuilding the global economy smoothly and maintaining the dominance of the United States.

This approach requires focusing on China, which is the main factor of fragmentation, and competing more actively with it. However, Beijing lends to the countries of the South more and more effectively than the West, which promises huge sums, but in fact little is realized. There is only one way out here – we must actively use the multilateral institutions – the IMF and the World Bank - against China, without letting them out of the control of the United States [Setser, Turner, Weilandt, 2024].

In general, the group's experts give positive assessments of the IMF's activities in the past, even including the Asian crisis of 1997-1998. They highlight the fund's successful actions during the pandemic, when the institute provided interest-free loans and suspended debt service charges from the poorest countries [Editors CFR, 2023].

In general, having confidence in the IMF, the group's representatives believe that a slight correction of its theoretical basis is needed. Thus, experts demand to understand which debt of underdeveloped countries is problematic or acceptable (taking into account specific conditions), why debt increases after debt restructuring in some countries, how the factor of access to foreign markets affects the fight against budget deficits, etc.

It is also proposed to adjust the fund's management system. As you know, the “gentlemen's agreement” between Europe and the United States guaranteed that the IMF would be headed by a European and the World Bank by an American. In such a situation, developing economies do not have the ability to influence the decision-making process. Therefore, in order for the IMF to maintain its legitimacy, it must provide candidates from the world's most dynamically developing economies with an equal chance of obtaining a leadership position [Editors CFR, 2023].

Conservative Democrats believe that the fund could do more to help countries adapt to the effects of climate change, for example, by suspending payments or interest on loans after natural disasters. However, it is not yet possible to directly provide financing to combat climate problems, as this is not provided for in the original mandate.

Since SDRs in the IMF are allocated based on quotas that reflect the share of countries in the global economy, richer members receive a larger share of the issue. This unfair situation should be corrected, for example, if rich countries themselves share their SDRs with poor members. Although the IMF promises to facilitate such steps, it is clear that alternative SDR distribution channels should also exist, for example, through the World Bank [Setser, Turner, Weilandt, 2024].

### ***Moderate Conservatives: An anti-Chinese agenda***

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<sup>7</sup> United Nations Economic and Social Council.

<sup>8</sup> The interests of the group in Congress are represented by Senators J. Manchin, V. Gonzalez, K. Cinema. The leading analytical structure is the Council on Foreign Relations.

The leaders of the group of moderate conservative Republicans<sup>9</sup>, while agreeing with the acceleration of deglobalization, nevertheless consider it necessary to maximize the transition period to the fragmentation stage. They agree that the main opponent of the United States is China, which pursues its own goal of creating a global alternative economic system.

One of the most successful fronts on which Beijing is defeating the West is the competition for influence in the countries of the global South. The most important weapon on this front, which China is constantly improving, is credit. Here, China is gradually strengthening, while the West is weakening. Therefore, it would be a serious mistake for the United States not to resist this trend and pay less attention to the Bretton Woods institutions [Romeu, 2024].

Moderate conservatives claim that the head of the IMF, K. Georgieva, continues to defend China's interests, calling for an increase in its quota. However, giving Beijing more responsibility will not lead to the country becoming a “responsible actor”; it will simply give China more opportunities to use the Bretton Woods institutions to achieve its own goals, which conflict with the foundation's mission.

The same K. Georgieva is actively pursuing an expansion of the IMF's mandate, which, along with anti-crisis measures, now includes development programs, combating poverty, hunger, climate problems, cryptocurrency, artificial intelligence, etc. It is unclear what unique experience the IMF can bring to these issues. Such an expansion of functions is likely to damage the IMF's basic oversight and financial stabilization tasks, leading to “reduced performance and continued frustration” [Nordquist, Katz, 2024].

Moderates are most annoyed by the IMF's attempts to address climate issues, as they are completely unsuitable for the Bretton Woods institutions as priorities, given the inevitable trade-offs, for example, between reducing carbon emissions and economic growth. The IMF should abandon the RST program, which has attracted serious criticism in the US Congress and jeopardizes the fund's financing.

In recent years, the IMF has consistently gone beyond its core mission of providing loans to governments experiencing financial difficulties, insisting on large overall SDR allocations. Moderates suggest abandoning the use of SDR to increase the volume of liquidity, since this mechanism is not suitable for responding to macroeconomic shocks due to the need to transfer most of it to rich countries. Moreover, of the \$100 billion that rich countries promised to send to the poor as part of the SDR distribution in 2021, less than 1% of the promised amount was actually provided. Moreover, it is not necessary to use the channels of the World Bank for the distribution of SDR [Plant, Adrogué, 2023].

Strengthening the role of the countries of the global South would allow them to resist China's attempts to impose its lending. Based on this, the IMF should continue its efforts in recent decades to reduce Western quotas in favor of developing countries.

On the other hand, there is a need for reforms aimed at ensuring customer accountability. Lack of accountability for failed projects leads to failure to meet IMF targets. An example is the largest borrower – Argentina, which has repeatedly failed to fulfill its obligations to the fund, but the IMF board was not very concerned about this.

The group's experts also point to many other factors that reduce the effectiveness and attractiveness of the IMF. These include corruption, the bureaucratization of a huge apparatus, a

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<sup>9</sup> In Congress, their positions are represented by R. Paul, J. Amash, and L. Murkowski. Among the analytical centers in this area, the Center for Strategic and International Studies can be distinguished.

culture of subordination among employees, and even sexual harassment – all of which also do not help attract customers from the global South [Nordquist, Katz, 2024].

***Conservatives: “Reforms are rarely completed”***

Conservative Republicans<sup>10</sup>, most of whom have joined Donald Trump's camp over the past year, generally have a negative attitude towards globalization, relying on free competition between sovereign states, as well as on the balance of economic and military forces. Nevertheless, they agree with the existence of a universalist IMF because of the need to maintain global trade and stable exchange rates during the frequent financial crises of recent decades. It is particularly important for them that, in exchange for this assistance, the countries of the South agree to implement reforms and sound fiscal policies. Nevertheless, conservatives have doubts about the effectiveness of the IMF's intervention, since “these reforms are rarely completed” [Reinsberg, Stubbs, 2021].

Particularly outrageous for conservatives was the fact that in 2022 the Biden administration directly interfered in the direction of the foundation's work, when J. Yellen instructed the IMF and the World Bank to “improve” the methods of providing loans to developing countries in order to more effectively address climate, medical and other global problems. As a result, through the established RST, more than 140 countries were eligible to receive up to 150% of their quota from the IMF in the form of twenty-year loans at very preferential rates [Schaefer, Primorac, Kim, 2023]. In other words, the administration within the framework of the IMF is creating a mechanism to bribe three quarters of the world's governments in order to adopt center-left policies on climate and health. Even if some government does not agree with such a policy, it will be difficult for them to resist the temptation to get such cheap loans.

The Biden administration was trying to get \$21 billion from Congress to implement its plan. This is a small amount, but it has a key feature: financing through the IMF will not be subject to the restrictions provided for by the Foreign Assistance Act, which prohibit the use of US money for abortions or their lobbying. Thus, financing through RST is, among other things, the global promotion of family planning policy [Schaefer, Primorac, Kim, 2023].

In general, conservatives demand that Congress not support the IMF's attempts to invade areas in which it has no experience, especially without checking China's influence and without legislative guarantees that US taxpayer funds will not be allocated to support activities prohibited by Congress.

However, such a relatively tolerant attitude towards the IMF disappears in D. Trump's election program “Project 2025”, prepared by the collective efforts of the conservative community. The document accuses the IMF of not adhering to the principles of the free market and interfering in the American political debate, for example, recommending tax increases. It is also claimed that the IMF creates “expensive intermediaries” who “intercept” American financing before it can be allocated to projects abroad. Therefore, the United States should withdraw from both the IMF and the World Bank [Heritage Foundation, 2024, p. 701]. To the argument that China will take the place of the United States in this case, conservatives respond: “If China wants to spend money on the World Bank and the IMF, then that's their business, but it won't increase their power, it will make them poor” [Schonhardt, Waldman, 2024].

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<sup>10</sup> The leaders of the conservative faction in Congress are M. Johnson, J. Jordan, T. Cotton. The Heritage Foundation can be called the main analytical center.

### *Neoconservatives: Returning to market roots*

Experts from the neoconservative group<sup>11</sup> believe that globalization should be preserved, since it is the source of American economic power. To do this, it is necessary to restore the market laws of world trade, using military force, if necessary. As for the Bretton Woods institutions, on the one hand, the availability of market financing has reduced the need for WB programs for emerging market countries, but on the other hand, the growing debt crises have increased the need for a well-funded IMF as a “lender of last resort” capable of maintaining currency stability.

In this guise, the IMF has looked quite effective for many decades, although many complaints have been made about the fund in connection with its second mission – forecasting and monitoring the state of financial markets, which manifested itself, for example, in the inability to predict almost all major shocks of the 21st century.

Since the function of stabilizing currencies seems to be extremely important to neoconservatives, they call for preserving the IMF as an effective tool to combat debt crises, given that global debt levels are at record levels. However, they make a reservation related to the fact that at the present stage the fund needs to be “cured”, since with the advent of the Biden administration it has become noticeably feverish [Lachman, 2022].

Neoconservatives associate many problems in the work of the IMF with the person of K. Georgieva. Her policy in the fund is based on the ideology of progressivism, therefore, in fact, contradicts the market foundations of the economy, which should be the main guideline for the IMF's activities. She took ideas from the arsenal of the American left about increasing the role of public administration, combating climate change, and poverty. Georgieva launched an attack on private property rights, trying to interfere in the distribution of dividends and share buybacks, which in fact defies market rules and shareholders' rights.

The head of the fund is also actively promoting digital currency, which, in her opinion, “can improve access to financial services where only a few have bank accounts.” The Neocons strongly disagree with this, believing that digital currency is one of the ideas whose advantages have not been proven, its introduction will be accompanied by risks, and therefore it is better to leave it alone [Anthony, 2023].

Since the social problems of many countries are linked to rising inflation, progressives insist that large corporations are to blame for this, which are “secretly conspiring” to raise prices. The IMF supported this “conspiracy theory,” believing that inflation is a “gift from business,” and corporations “should allow their profit margins... to decline.” Neoconservatives object: monetary policy is to blame for inflation, and to reduce inflation, it is necessary to limit the money supply [Bourne, 2023].

In fact, Georgieva, in their opinion, “goes along with the Fed,” does not hinder it, does not criticize Biden's inflationary policy, which has led to the highest growth rates of the money supply in the last 60 years. After the pandemic, the IMF did not notice bubbles in the asset and credit markets, and could not predict an inflationary surge in the United States. The Fund provided a relatively optimistic forecast for the global economy, although there are more bubbles in global markets today than there were in 2008 [Lachman, 2022].

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<sup>11</sup> The most notable members of the group are R. Kogan, L. Graham, M. McConnell, J. Bolton. The American Enterprise Institute performs the functions of the leading think tank.

## CONCLUSION

Thus, in the context of the fragmentation of the global economy, the fate of the IMF is causing quite a heated debate in the American political and expert community. As a result, the following conclusions can be drawn.

First, almost all political and ideological groups agree that the IMF should be retained as a stabilizing instrument of the transition period.

Secondly, there was an active discussion on the need to expand the IMF's mandate. Here, the participants disagreed: all groups of Democrats supported K. Georgieva's policy to one degree or another, while Republicans expressed confidence in the need to return to the traditional functions of the foundation, clearing it of "leftist growths." The Biden administration eventually also refused to support the IMF's "left turn" and, in fact, declared its indispensability for the implementation of "industrial policy" (although it is difficult to understand how they are going to combine the latter with the fund's "traditional market mission").

Thirdly, the problem of the role that the IMF should play in attracting the countries of the global South to the side of the collective West in the latter's confrontation with China is being discussed. Some of the participants in the discussion (centrists and partly conservative Democrats with moderate Republicans) believe that this can be done through a revision of quotas and a more equitable distribution of SDRs. Other groups (conservatives and neoconservatives) believe that such concessions could lead to a loss of U.S. control over the fund's decisions and resources. If we consider that the Biden administration also refused to consider the possibility of reviewing quotas, then dramatic progress towards reforming the fund is unlikely in this matter.

In general, given that the groups discussed here are more or less commensurate in their influence on the decision-making process in the United States, a sharp reversal of American policy towards the IMF is unlikely. Although, as part of the pre-election discussion, the Trump Republicans announced their intention to withdraw from the fund after D. Trump's victory in November 2024. they took a more moderate position, as it became clear that the new president might need the institute to implement his strategy, for example, to provide loans to friendly countries, put pressure on China, hinder lending for "climate change," etc.[20]

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