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Dartmouth President Kim Nominated by Obama for World Bank

By Sandrine Rastello and Ian Katz - Mar 23, 2012

Dartmouth College President Jim Yong Kim was nominated by the U.S. to head the World Bank, making him the first physician and Asian-American to lead the lender that provided \$57 billion to developing countries last fiscal year for everything from building roads to improving access to health care.

Kim, 52, who was born in [Seoul](#) and emigrated with his parents from South Korea at age five, would succeed Robert Zoellick, a former U.S. trade representative whose term ends in June. The U.S. is the biggest shareholder in the Washington- based bank, which has always been led by an American.

“It’s time for a development professional to lead the world’s largest development agency,” President Barack Obama said today at a White House presentation with Kim at his side. “Jim has spent more than two decades working to improve conditions in developing countries around the world.”

Kim, an expert on HIV/AIDS and a 1991 graduate of Harvard Medical School, breaks the mold of World Bank presidents, who have been drawn from government and finance. He offers a bridge to developing nations at a time when countries such as China are challenging the [World Bank](#) with their own lending programs in Africa and Latin America.

“It is an inspired choice,” said Daniel Zelikow, a managing director at JPMorgan Chase & Co. and a former executive vice president at the Inter-American Development Bank. “Dr. Kim is not only a leader in global health and development issues, but leading a major American university is an excellent proving ground for managing an organization as complex, diverse and important as the World Bank.”

Nominees Considered

Kim, Jose Antonio Ocampo and Ngozi Okonjo-Iweala are the three nominees who will be considered for the president’s post, the World Bank’s board of executive directors said in a

statement today. Ocampo is a Colombian national and a professor at Columbia University in [New York](#). Okonjo-Iweala is Nigeria's finance minister.

Kim would take over as financing for development projects is increasingly provided by private investors, turning the World Bank into more of a technical adviser. The choice of Kim is subject to approval by the board of the 10,000-employee bank, and a decision is scheduled by April 20.

"His biggest challenges will be his ability to manage a large organization, expand his universe of thinking to programs that catalyze economic growth, and maneuver effectively in very high political circles," said Clay Lowery, a former Treasury assistant secretary for international affairs and a vice president at Rock Creek Global Advisors LLC, a Washington-based consultant.

Geithner, Kim

Treasury Secretary Timothy F. Geithner backed Kim, and his name has been on the White House list of candidates for several weeks, according to an administration official who spoke on condition of anonymity to discuss internal deliberations. Geithner graduated from [Dartmouth College](#) with a bachelor's degree in government and Asian studies.

Geithner, in a statement, called Kim "an innovative leader whose groundbreaking work to fight disease and combat poverty has saved lives around the globe."

Kim, the son of a dentist, grew up in Muscatine, Iowa, where he played high school football, basketball and golf. He graduated from Brown University in Providence, Rhode Island, in 1982 and went on to receive degrees in medicine and anthropology at Harvard, in Cambridge, Massachusetts.

Harvard

In 1987, while at Harvard, Kim co-founded Partners in Health, a nonprofit organization that has opened clinics in countries including Haiti and [Peru](#). Working for the group in Peru, he helped develop a treatment program for multidrug-resistant tuberculosis.

Kim has said that as a college student, he was torn between his father's expectation that he study medicine and a passion for social justice acquired from his mother, who studied philosophy at Union Theological Seminary in New York. A summer working at a health clinic in Manhattan's Chinatown taught him he could do both, Kim said in a 2010 interview.

"I realized in the summer of my junior year that going into medicine is not giving up on social justice and politics, but a great way to tackle those problems," Kim said.

He later ran the Department of Global Health and Social Medicine at [Harvard Medical School](#) and received a MacArthur Foundation fellowship, popularly called a “genius” award, in 2003. He also served as director of the World Health Organization’s HIV/AIDS department.

Dartmouth President

He joined Dartmouth, based in Hanover, New Hampshire, as its president in 2009, in the midst of cuts to jobs, benefits and financial aid that aroused faculty criticism and calls for a more transparent accounting of the cuts.

Kim, who started the Dartmouth Center for Health Care Delivery Science, set an “aspirational, global vision” for the school, Stephen F. Mandel Jr., chairman of the board of trustees, said in an interview.

Geithner spoke at Dartmouth in June and took a question from Kim about how the school helped prepare him to be Treasury secretary. Geithner pointed at Kim and referred to the “revolution you’re going to bring to health-care delivery.”

Past World Bank presidents have included Robert McNamara, who served as secretary of defense during the Vietnam war, and Paul Wolfowitz, a former deputy secretary of defense in the administration of George W. Bush, who resigned under pressure in 2007 after giving his companion an unusually large pay raise and promotion.

Zoellick, Wolfowitz

Zoellick was nominated by Bush to succeed Wolfowitz and said last month he will step down when his five-year term ends. He received a net salary of \$450,378 in the year through June 30, plus a total of \$284,329 of pension and other benefits.

Kim’s compensation at Dartmouth was \$612,768 in the year ended June 2010, including a base salary \$419,754, according to a public tax filing.

The World Bank was created at the end of World War II as part of the postwar global economic order, along with the [International Monetary Fund](#). Set up to rebuild war-ravaged [Europe](#), its first loan was to [France](#) in 1947. The IMF’s job was to maintain a stable monetary system.

The bank later shifted its focus to providing financing for projects such as [power plants](#) and dams in [developing countries](#). As private capital becomes more available, it’s now counting on the technical expertise that comes with its loans to attract clients.

Emerging Markets

Net World Bank lending to middle-income governments was less than \$8 billion in the financial year ended June 30. By contrast, net private inflows to emerging markets reached \$910 billion in 2011, according to estimates by the Washington-based Institute of International Finance.

The bank's challenge now is "a question of being smarter and a question of focusing on how to transmit development knowledge in the most efficient way," said Whitney Debevoise, a former U.S. executive director at the World Bank.

The growing economic weight of nations such as [China](#) and [Brazil](#) is posing a challenge to the World Bank's relevance as a lender and to the informal arrangement that gives the bank's leadership to an U.S. citizen and that of the IMF to a European.

The choice of Kim may help forestall the kind of emerging- markets bid that occurred last year, when [Mexico](#)'s central bank governor, [Agustin Carstens](#), challenged [Christine Lagarde](#) for the leadership of the IMF. Lagarde, a former French finance minister, prevailed after carrying out a global campaign.

While Brazil nominated Ocampo to lead the bank, it still hasn't decided who it will support to become the next president, a government official in Brasilia said.

Dominican Request

Brazil put forth Ocampo's nomination today at the request of the Dominican Republic, whom it represents on the bank's executive board, said the official, who was not authorized to discuss the matter publicly.

For Brazil, more important than a candidate's nationality is whether they support the government's goal of giving a bigger voice to emerging markets in the running of the Washington-based institution, the official said.

Okonjo-Iweala was nominated for the World Bank post by [South Africa](#), Nigeria and Angola, South African Finance Minister [Pravin Gordhan](#) said today.

"It's going to be very hard for the emerging markets and other critics to make the point that Dr. Kim is not well- qualified," [Eswar Prasad](#), a senior fellow at the Brookings Institution in [Washington](#) and a former IMF official, said in an interview with Bloomberg television.

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