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## U.S., Chinese Officials Named to Key IMF Posts

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### Abstract (summary)

WASHINGTON--The International Monetary Fund said Tuesday it would install White House aide David Lipton as its No. 2 official and elevate Zhu Min of China to a newly created deputy managing director post.

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### Full Text

WASHINGTON--The International Monetary Fund said Tuesday it would install White House aide David Lipton as its No. 2 official and elevate Zhu Min of China to a newly created deputy managing director post.

The appointments by new IMF managing director Christine Lagarde--who took over last week after serving as France's finance minister--maintain the longstanding arrangement in which a European fills the top post and an American takes the No. 2 role. The addition of Mr. Zhu, however, is a new move designed to balance the fund's traditional leadership with representation from emerging markets.

Mr. Lipton, special assistant to the president for international economic affairs, was the Treasury Department's top international official in the Clinton administration. He will effectively serve as a link between the IMF and the U.S., the institution's top funder and most powerful member.

Mr. Lipton, 57 years old, will become a senior adviser to Ms. Lagarde on July 26 before taking his new role as first deputy managing director on Sept. 1. He will succeed John Lipsky, who will remain through November as a special adviser to the IMF chief.

In a statement, Ms. Lagarde said Mr. Lipton brings "extensive experience in policy-making, excellent communication and negotiating skills, and a very good knowledge of IMF policies and procedures."

After starting his career as an IMF staffer in the 1980s, Mr. Lipton played a role in shaping the world's major economic transitions of the past three decades. He serves as the White House's point man on the European debt crisis, directs the Obama administration's economic aid to Pakistan and helped develop the aid packages for Egypt and Tunisia after their revolutions.

Earlier in his career, he served as an adviser to nations in Central and Eastern Europe in prescribing tough overhauls as their economies transitioned from communism to capitalism. Before joining the Obama administration, Mr. Lipton worked at banking giant Citigroup Inc. as head of global country risk management and previously as an executive at Moore Capital Management.

The elevation of Mr. Zhu, now a top IMF official, marks an early move by Ms. Lagarde in fulfilling a campaign pledge to give emerging-market nations more voice at the fund. Officials from emerging and developing economies have objected to the informal arrangement between Europe and the U.S. to control the institution's top two positions.

Ms. Lagarde told officials in China and other fast-growing economies that she would continue reforms to give them a greater role at the institution, which has long been seen as dominated by Western leaders and policies.

Eswar Prasad, a Cornell University economist and former IMF official, said Ms. Lagarde's first two appointments represent "payback for the support she got from the U.S. and China in securing the top job."

Mr. Zhu's elevation "reflects China's increasing prominence in the fund's power structure and raises concerns about the IMF's future appetite for hard-nosed evaluations of China's policies," Mr. Prasad said. U.S. officials have been pressing Beijing to allow its currency, the yuan, to appreciate more quickly.

Mr. Zhu, 58 years old, served as a special adviser to former IMF chief Dominique Strauss-Kahn since May 2010, a senior post putting him alongside other top officers in running the fund. Two other deputy managing directors at the same level are filled by a Japanese national and an official who carries Egyptian, U.S. and U.K. citizenship.

Mr. Zhu, a former deputy governor of the People's Bank of China, led the central bank's international affairs, policy research and credit information. He previously worked at the Bank of China and at the World Bank and received his doctorate and master's in economics from Johns Hopkins University.

The appointments of both Mr. Lipton and Mr. Zhu require board approval.

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