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New World Bank

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ABSTRACT

The World Bank, founded in 1944 at the Bretton Woods Conference, is a major international institution providing loans and grants to low- and middle-income countries to promote development and fight poverty. It launched in 1946, initially helping Europe's post-WWII recovery, and later expanded to global sustainability and poverty programs. The World Bank Group (WBG) includes IBRD, IDA, IFC, MIGA, and ICSID. This paper proposes revising its functions, especially for a global currency system initiative, as part of the Prelude reform to enhance its influence and economic stability worldwide.

KEY WORDS: Bretton Woods, World Bank, (WBG), New World Bank.

Introduction

The World Bank, founded in 1944 during the Bretton Woods Conference, is a top international financial organization providing loans and grants to low & middle income countries to promote economic growth and fight poverty. It began operations in 1946 mainly to support Europe's post-World War II reconstruction. Over time, its mission has expanded to include global sustainable development and poverty reduction efforts [1][2][3][4].

Recently, the World Bank has shifted its focus to more actively eliminate extreme poverty and foster shared economic success. There's an increased emphasis on protecting our environment and tackling climate change. Their efforts cover vital areas like education, health, infrastructure, farming, conservation, and good governance. Lately, they've also placed strong emphasis on social and environmental safeguards to promote sustainable growth, working closely with NGOs, development groups, and private partners to achieve a greater positive impact.

The IBRD provides sovereign loans to middle-income and

creditworthy low-income countries, supporting infrastructure projects and institutional capacity. The IDA offers concessional loans and grants for poorest nations' development. MIGA supplies geo-locational risk insurance, credit enhancement, and investment guarantees to encourage foreign direct investment, boosting private sector participation. ICSID provides arbitration and conciliation for investment disputes, fostering investor confidence in emerging economies [5][6][7][8].

As the geo-locational and economic landscape evolves, it is crucial to shift from solely offering loans to developing nations towards a more holistic approach that involves constructive mediation and oversight of the global monetary system. This shift aims to enhance macroeconomic stability, mitigate systemic risks from currency fluctuations, and foster sustainable growth. Achieving this requires implementing resilience systems to look after exchange rate policies and monetary policy coordination, thereby building a more resilient and stable international financial system.

This research article aims to examine and refine the conceptual framework of the modern "new" World Bank. Today, the institution functions as a complex, multifaceted development organization that has evolved beyond its original post-World War II reconstruction purpose. Its current focus includes sustainable development initiatives, multidimensional poverty alleviation strategies, and efforts to adapt to and build resilience against climate change. The primary aim is to demonstrate how the World Bank's influential role can be aligned with broader objectives of a future global monetary system, emphasizing the need for a unified, stable, and resilient international currency system.

Methodology

This research article presents a comprehensive systematic review of World Bank reports and studies retrieved from reputable sources like WorldBank.org. It focuses on various types of economic research, including case studies and meta-analyses, all published between 2012 and 2025. The study examines key variables such as indicators of the economic conditions, including the CPI index, as well as socioeconomic factors like GDP level that may affect global economic outcomes. This thorough and structured approach aims to elucidate the complex relationships within the broader societal context and supports the concept of reshaping the "new" World Bank.

Discussion

Boosts confidence in currency stability

Some might ask why reforming the World Bank and expanding its role is essential, turning it into a supranational institution that manages currency supply like the IMF. Do these agencies overlap? In reality, the future World Bank will develop alongside the IMF, taking on tasks such as overseeing global interest rates and the money supply. The IMF will retain its distinct functions within this new structure. This setup is comparable to a division within a larger organization, where each department handles specific responsibilities. The primary purpose of the new World Bank will be to function as a central bank, determining optimal money supply and interest rates for each country. Global currency supply decisions will be influenced by debt levels, trade conditions, and especially each country's GDP growth. Today, the global currency market faces instability, oversupply, and high inflation, which often cause economic downturns since the end of the Bretton Woods system. Currency over-supply mostly affects developing nations, but recently some developed countries have also been impacted. Restoring confidence remains our main objective.

To restore and strengthen confidence in the currency effectively, a comprehensive strategy is necessary. This should focus on redefining the currency infrastructure and creating a new organizational framework. The plan includes introducing financial innovations such as a new global currency, improving transparency in monetary policy, and reforming institutional governance such as reshaping the new World Bank to boost credibility and trust among the world's citizens and stakeholders.

In doing so, confidence reshaping can be accomplished through the creation of a resilient, transparent, and credible monetary system that aligns with advanced economic principles. Additionally, indicators that reflect the expectations and sentiments of economic agents—such as consumers, firms, and investors—regarding the future economic outlook and currency stability are important. Key measures include indices like the Consumer Price Index (CPI) and economic sentiment indices, which gather perceptions on

production, prices, and financial conditions.

Market-based indicators, such as GDP, can offer valuable insights into confidence that we must consider. Which, GDP is often viewed as a key indicator of market confidence, reflecting financial data like exchange rate stability, reserve adequacy ratios (such as gross reserves to the monetary base), and interest rate spreads.

These metrics help us assess investor trust in a currency's value and a country's ability to support it. This indicator can serve as a useful tool for evaluating a country's stability. Additionally, this research paper emphasizes that the most important factor in restoring confidence in a currency is stabilizing the price level, which means that maintaining a stable price level is key to rebuilding currency confidence, especially when a country is already collapsing and has zero confidence left in the government. The new World Bank can then play a major role in restoring trust as a key player.

Stronger confidence in currencies is shown through positive market signals and forecasts. Such optimism can foster a more stable economy and financial system by alleviating uncertainty, lowering risk premiums, and deterring risky, speculative activities globally.

Suggestion

Governance of the global new currency system

The newly re-designed 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.

In addition, infrastructure-backed reserves may help ensure the sustainability of the new world bank and new world currency stability. Moreover, such infrastructure reserve-based currency back up can provide supra-country resilience, which provides resilience in mitigating worldwide financial risk. These incorporate resilience into infrastructure monetization and serve as an international reserve, which can provide the new World Bank and new world money with resilience.

To help prevent conflicts over resource sharing, we're suggesting the creation of a globally managed arbitration organization, like the International Chamber of Commerce International Centre for Arbitration (ICC). This neutral body would provide a friendly platform to settle disputes involving the use and distribution of Special Drawing Rights (SDRs) in the new international currency system. Having such a dedicated arbitration service would make resolving disagreements quicker and easier, build trust among institutions, and support the stability of our global monetary system.

Blueprint of the New World Bank

Thus, we have established the core operational roles of the new World Bank. These include monitoring monetary aggregates

particularly the money supply and interest rate policies to ensure macroeconomic stability; overseeing the international trade settlement system, which enables smooth cross-border transactions and boosts global economic integration; and critically, managing inflation through the price level index to sustain price stability and encourage sustainable growth. Together, these functions aim to stabilize key economic variables, facilitate efficient resource use, and strengthen global financial stability.

The primary goal of restructuring the new “World Bank,” as previously noted, is to get ready for an imminent critical event. Immediate action is necessary to avert an impending disaster. This restructuring is just the initial step; the real objective is to overhaul the global currency and financial systems. The purpose of this overhaul is to systematically prepare for potential global crises, such as an economic collapse or the failure of the monetary system. Essentially, it serves as a prologue to the broader narrative of the world currency.

Conclusion

This research paper explores the paradigm shift within the institution traditionally known as the World Bank, aiming to redefine its structural and operational frameworks to adapt to emerging global economic realities. This initiative reshapes the “new” World Bank, which could serve as a first step toward the conceptualization and possible implementation of a unified global currency system, potentially enhancing monetary stability and financial integration across countries. Our main goal is to reform and recalibrate the international monetary and fiscal architecture, creating a more cohesive and resilient financial system. By promoting international cooperation and aligning economic policies, we seek to lay the foundation for a more stable and inclusive global economic order. Through strategic collaboration and consensus-building, we can work toward a more sustainable and equitable economic future that benefits all nations and humanity.

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