



# Strategic Leadership and Sustainable Growth

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Resident Representative in Armenia

*Question:*

What do you think of when you hear the word “leader”?



# Leadership vs Management

| Management                                     | Leadership             |
|--|------------------------|
| Planning & Budgeting                           | Establishing Direction |
| Organising & Staffing                          | Aligning People        |
| Controlling & Problem Solving                  | Motivating & Inspiring |
| Producing a Degree of Predictability and Order | Producing Change       |

John P. Kotter, *"What Leaders Really Do"*, (Harvard Business Review, 2001)

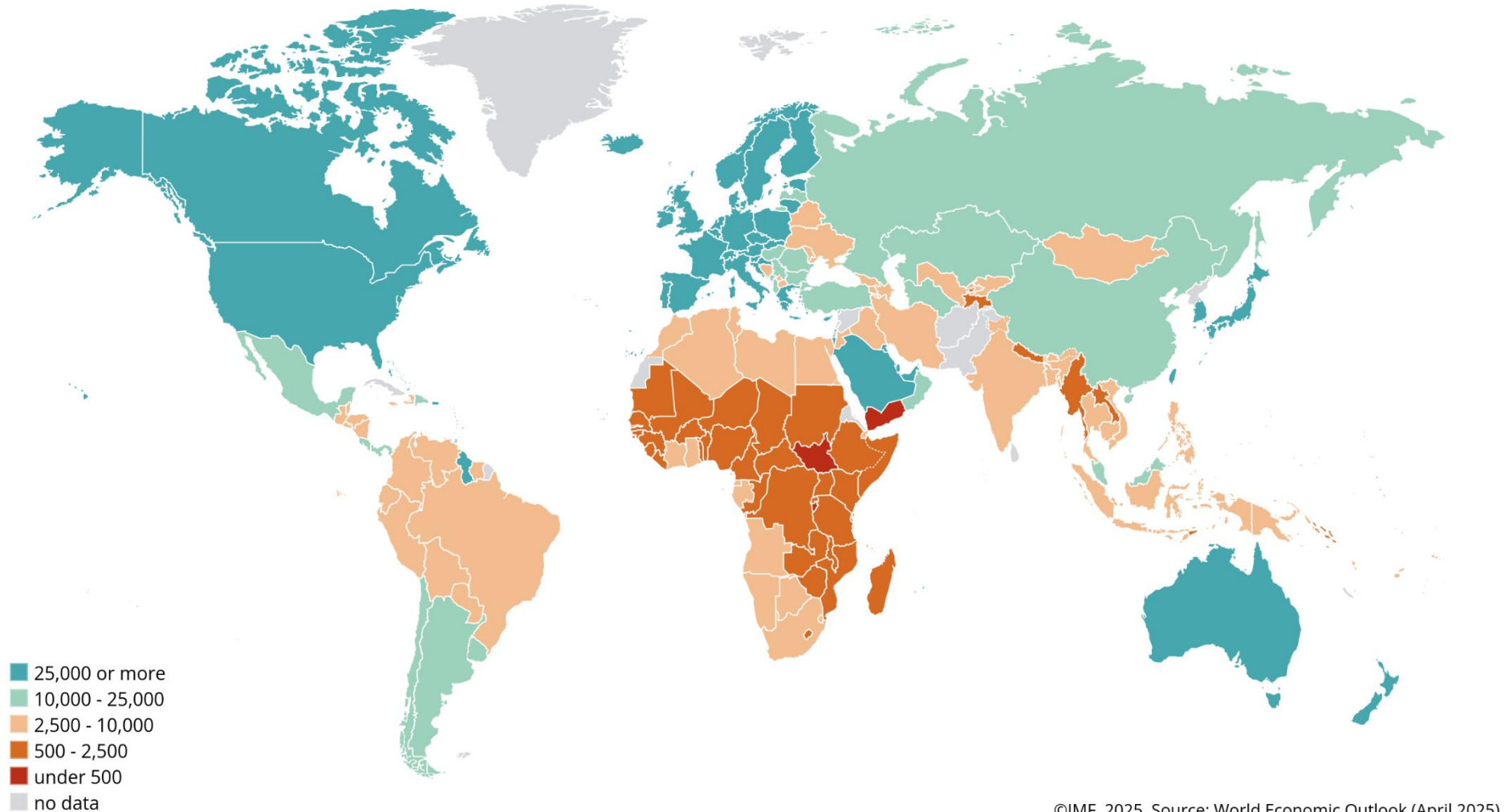
# **Leadership plays a crucial role in driving economic development**



# Countries income per person varies across the world

IMF DataMapper

GDP per capita, current prices (U.S. dollars per capita, 2025)



©IMF, 2025, Source: World Economic Outlook (April 2025)

# Cross-country determinants of economic growth

- Physical capital
- Human capital
- Technological progress
  - *Institutions and governance*
  - *Geography and macroeconomic/political stability*
  - *Entrepreneurship and Leadership*

# Great economic leadership provides:

- Vision and Strategy
- Effective Policy Formulation and Implementation
- Stakeholder Engagement
- Investment in Human Capital
- Infrastructure Development
- Entrepreneurship and Innovation
- Economic Diplomacy
- Social Inclusion and Poverty Reduction

# **Armenia: Public Leadership and Growth Determinants**

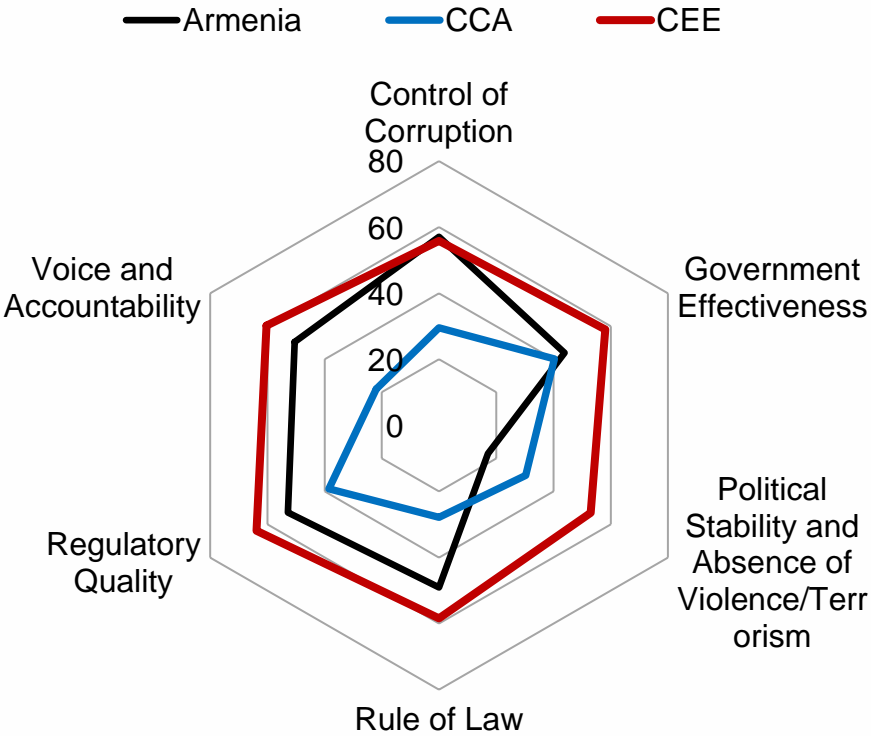


# Armenia: Government Vision and Strategy

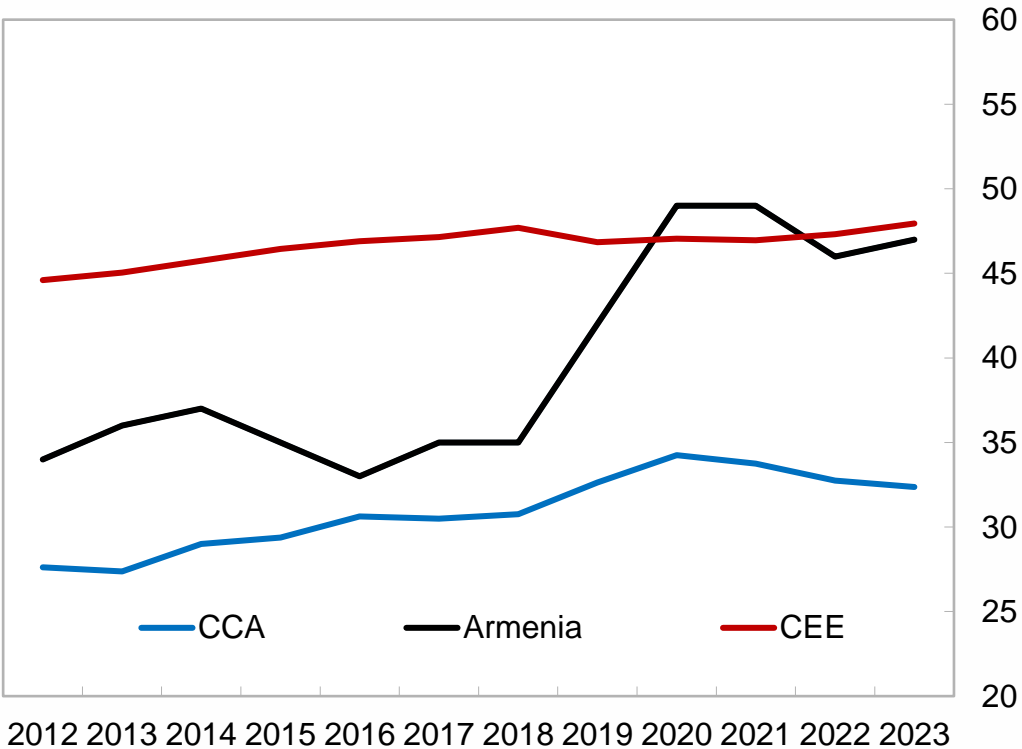
- 2021 – 2026 Government Strategy
  - Ensuring macro-stability and building resilience
  - Knowledge-based, export-oriented, investment-driven growth model
  - Human capital accumulation via reform of healthcare and education systems
  - Improving governance; anti-corruption reforms
  - Establishing peace in South Caucasus

# While corruption perception has improved, there is room for further governance enhancements

World Governance Indicators  
(Percentile Rank (0-100); 100 is best)

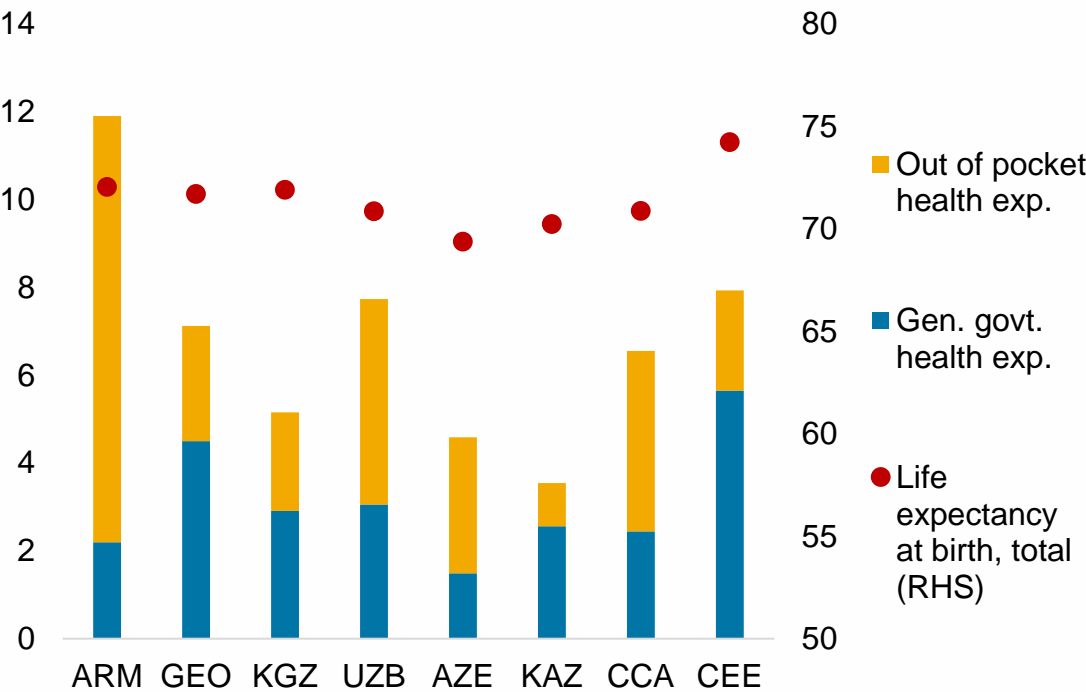


Corruption Perception Index  
(score 0-100; 100 is best)

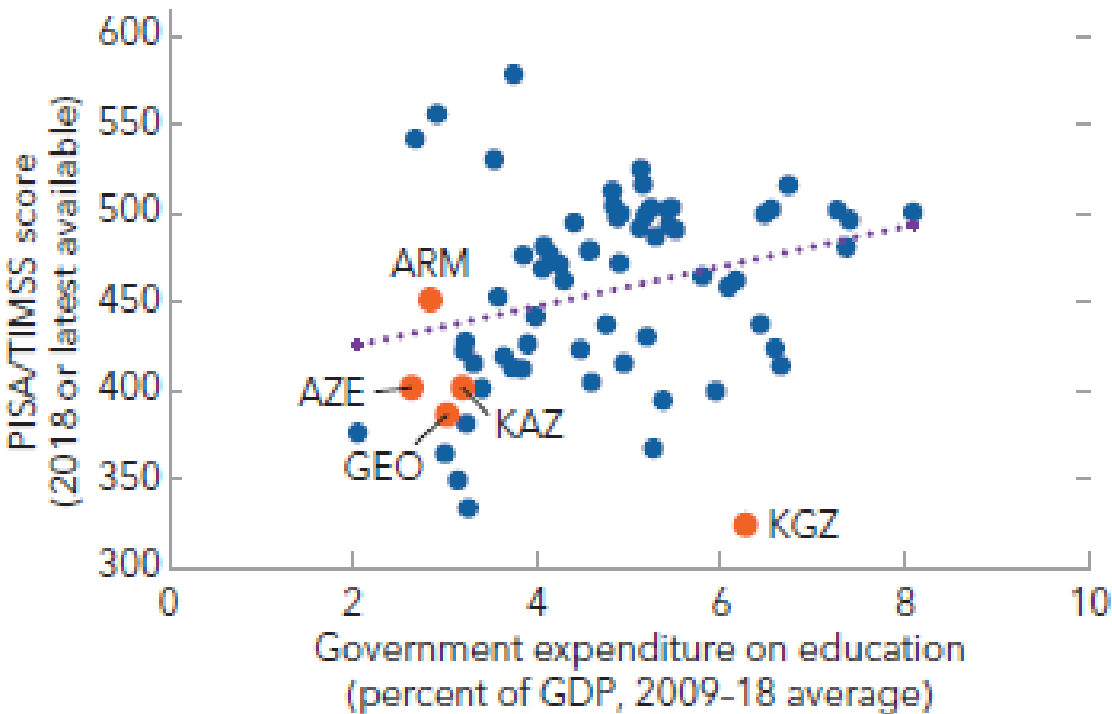


# Higher public spending in health and education is needed to boost human capital

Health Spending and Life Expectancy (2021)  
(Percent of GDP and years, respectively)



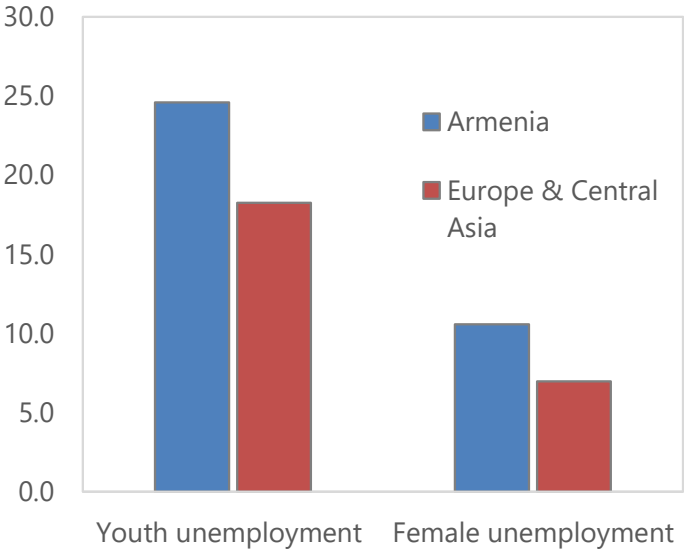
Education Expense and PISA/TIMSS Scores



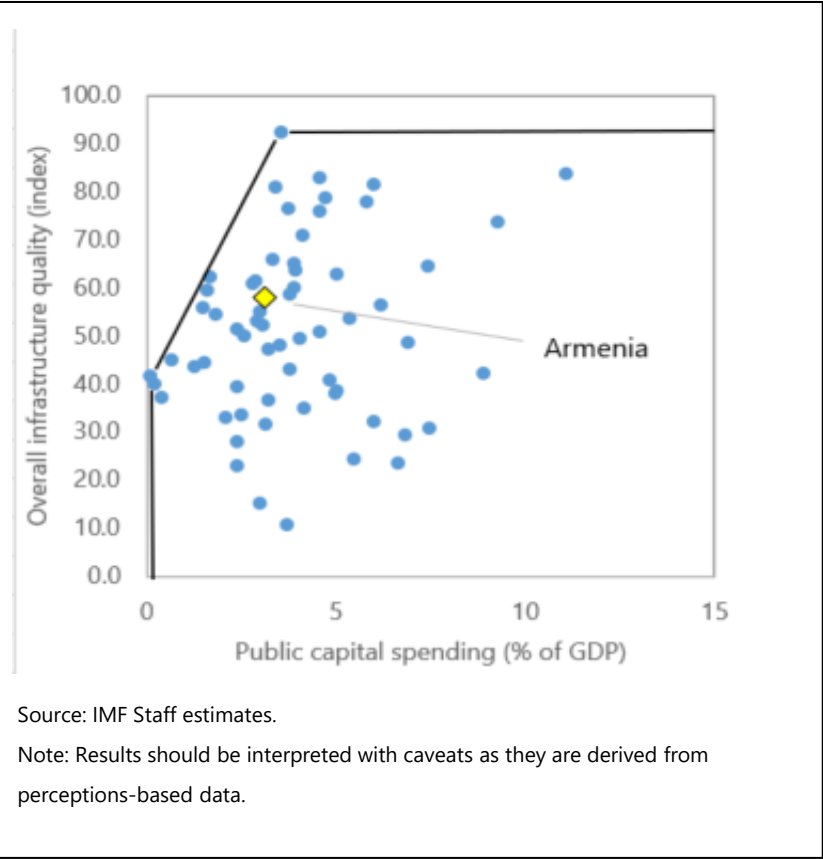
Source: WHO, Global health expenditure database, World Bank, WDI, and IMF staff calculations

# Other constraints to growth including structural unemployment, investment inefficiency and access to finance

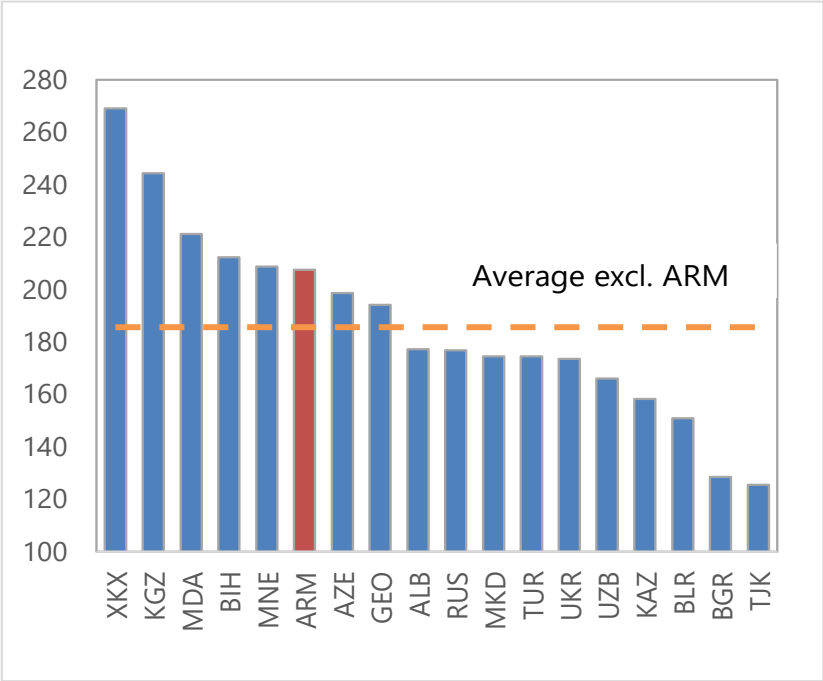
Youth and female unemployment  
(Percent)



Public investment efficiency frontier  
(Perceived quality)



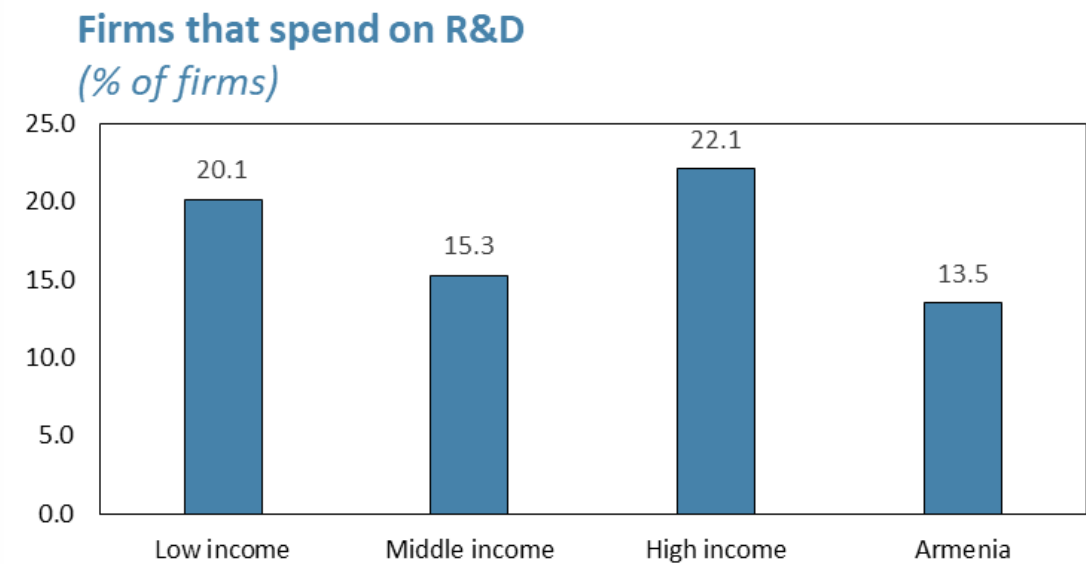
Collateral requirements  
(Percent of total loan amount)



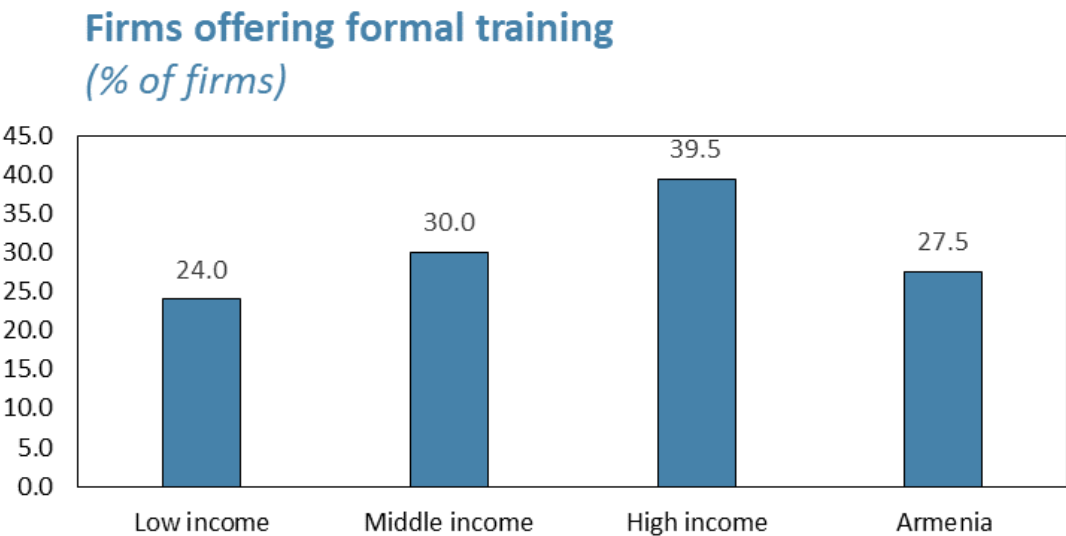
Source: IMF (2023)

# **Armenia: Private Leadership and Growth Determinants**

# Private sector plays an important role in providing strategic direction and boosting human capital and innovation



Source: World Bank, World Development Indicators



Source: World Bank, World Development Indicators





# World Economy and IMF Leadership

Global Membership

Global Cooperation & Financial Stability

Global Economy 1<sup>st</sup> Responder





# How Does the IMF Work?

**Board of Governors**

**191** Once a year

**International Monetary and Financial Committee**

**25** Twice a year

**Executive Board**

**25** Three times a week

# Management



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1

Managing Director

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1

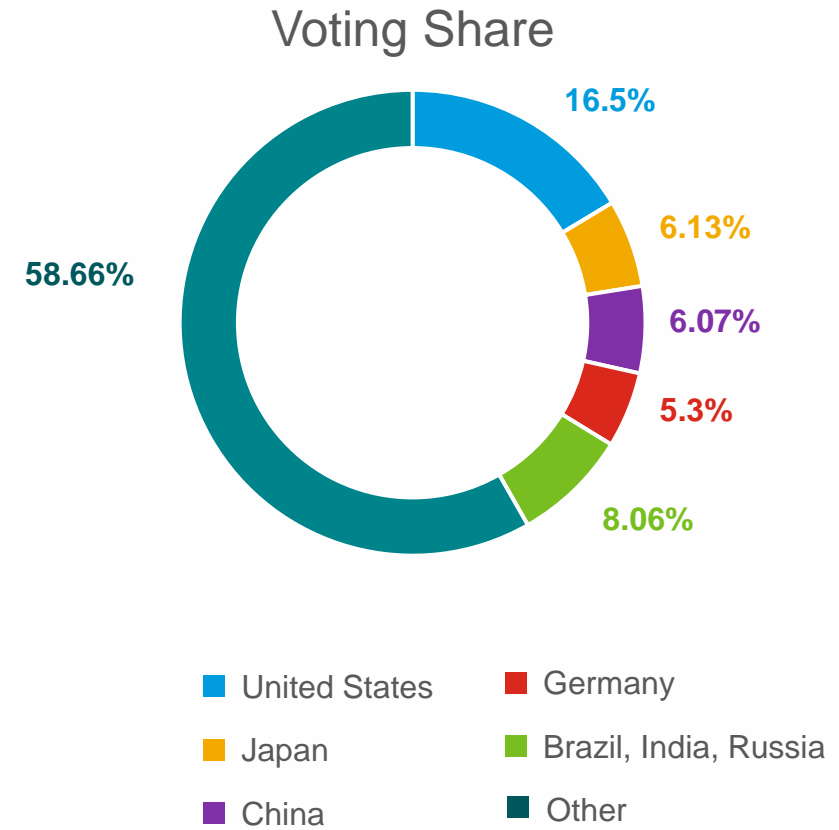
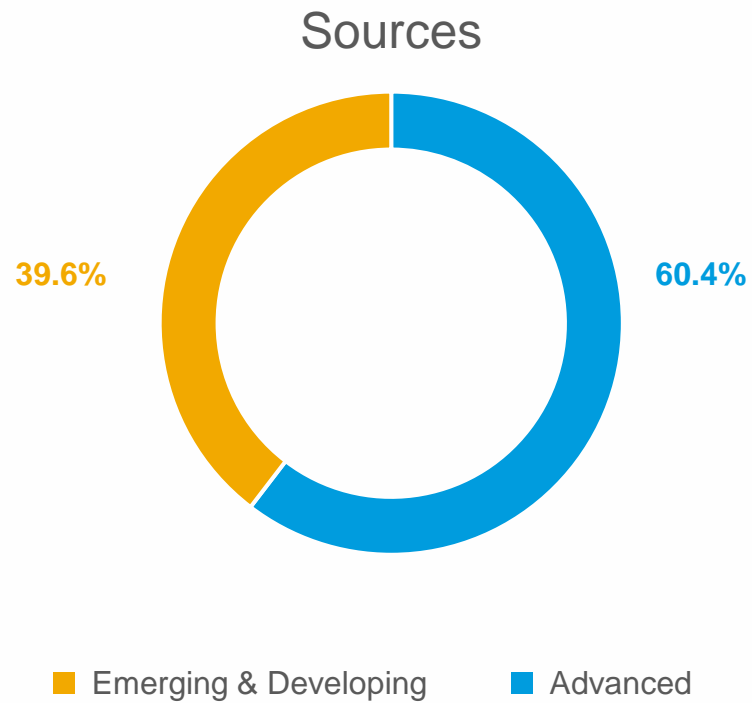
First Deputy  
Managing Director

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3

Deputy Managing Directors

# Where the IMF gets its money





# What Does the IMF Do?

## Policy Advice

- ✓ Bilateral (Art IV), Regional (REO), Global (WEO, GFSR, FM, ESR)
- ✓ “Truth teller”
- ✓ Systemic countries / Cross-Country Effects

## Lending

- ✓ Increased capacity
- ✓ Non-Concessional / Concessional
- ✓ Conditionality
- ✓ Catalyst

## Capacity Development

- ✓ Bilateral Support
- ✓ Technical Assistance
- ✓ Training

INTERNATIONAL  
MONETARY FUND  
PHASE I  
1973  
PHASE II  
1983  
PHASE III  
1998

# The IMF and its Crisis Response

Compounding Crises  
Pandemic | War | Food & Energy

## Global challenges

Global growth

Emergency financing and debt relief

Enhancing Liquidity / SDR Allocation

New & Adjusted Lending Arrangements

Longer-term challenges

## State of the Global Economy Compounding Crises

- ✓ COVID-19 Pandemic
- ✓ Russia's invasion of Ukraine
- ✓ Food, fertilizer, and energy crisis
- ✓ Banking sector stress in US and Switzerland
- ✓ Climate Disasters
- ✓ Conflict in the middle-east
- ✓ Geo-economic fragmentation

... contribute to global **cost of living crisis**, **debt crisis** in emerging and developing countries, **financial market volatility** and **strained government budgets**.



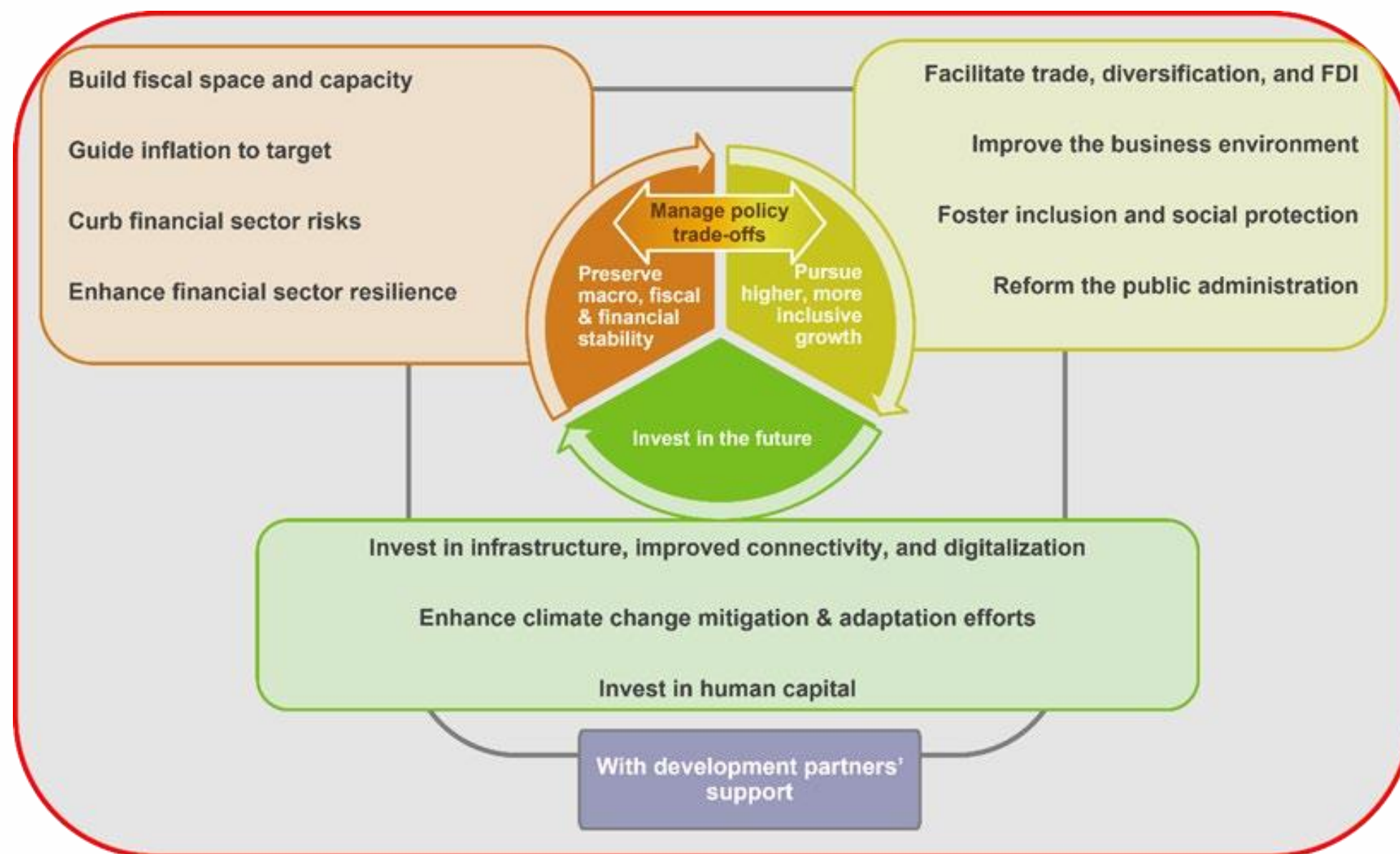
# How does the IMF support Armenian leaders?

# The International Monetary Fund (IMF) is intensely engaged in supporting Armenia preserve macroeconomic stability and pursue ambitious structural reforms



- 11 IMF-Supported Programs
- General SDR allocations

- Regular health-check of the economy
  - Engagement with the authorities for targeted policy discussions as needed
  - Dissemination of global policy initiatives and cross-country experience
- 
- Public finances (PIM & PPPs; PFM; FRM; expenditure review; tax policy and admin reforms); capital and FX markets development; national accounts and price statistics; and macroeconomic modelling.
  - HQ-based; CCAMTAC; STX and LTX.
  - Close coordination with development partners



# Thank You