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## U.S. and Chinese Officials Named to I.M.F. Posts

By **BINYAMIN APPELBAUM**

WASHINGTON — **Christine Lagarde**, the new head of the **International Monetary Fund**, named an American official as her chief deputy Tuesday and, in a move that reflects China's rising influence, added a Chinese official to the ranks of her senior advisers.

David A. Lipton, a White House economic adviser, will become **the fund's senior deputy managing director in September**, after the previously announced retirement of John Lipsky. The United States, which owns a controlling share of the fund, maintained its historic insistence that an American should fill the position, just as a European has always headed the fund.

But Ms. Lagarde also bowed to the future by naming a Chinese economist, Zhu Min, to a newly created position as the fourth deputy managing director. Mr. Zhu's elevation follows a campaign promise by Ms. Lagarde to increase the role of China and other emerging economies in managing the fund. The other two deputy directors, who will remain in place, come from Egypt and Japan.

"These appointments are part of a grand bargain that allowed Europe to retain its hold on the top job," said Eswar S. Prasad, a professor of trade policy at Cornell University who worked at the fund for 17 years. "This may be one of the few instances where the three largest economic powers — China, Europe and the U.S. — found their short-term interests closely aligned."

Mr. Zhu is a member of an elite group of Chinese economists who blossomed intellectually in the 1980s, exchanging market-oriented ideas at frequent social meetings in Beijing and Shanghai, and then scattered to rise through the ranks of various Chinese bureaucracies. An early graduate of Fudan University after Chinese universities reopened after the Cultural Revolution, Mr. Zhu came to the United States to earn a doctorate in economics at Johns

Hopkins University.

He worked in Washington as an economist at the World Bank from 1990 to 1996, then returned home to become an executive at the Bank of China. He played a central role in reorganizing the company's operations so it could be listed on the Hong Kong stock market in 2002. He moved to the People's Bank of China as a deputy governor in October 2009.

The fund's previous managing director, Dominique Strauss-Kahn, named Mr. Zhu to the newly created position of special adviser to the managing director in February 2010.

In announcing the appointment, which still requires the formality of approval by the fund's executive board, Ms. Lagarde said Mr. Zhu would aid "in strengthening the fund's understanding of Asia and emerging markets more generally."

Mr. Lipton is the senior director for international economic affairs for the National Economic Council and the National Security Council.

After completing a doctorate in economics at Harvard in 1982, Mr. Lipton worked as an economist at the fund for eight years. He joined the Clinton administration in 1993, rising to the position of under secretary for international affairs.

In between Democratic administrations, Mr. Lipton worked at Citigroup and at the hedge fund Moore Capital Management.

Mr. Lipton's selection was dictated by the Obama administration. The United States created the fund after World War II to provide a lender of last resort for troubled governments, and America still controls 16.77 percent of the voting shares, an effective veto because 85 percent of the votes are needed for big decisions.

Those decisions now are mostly focused on Europe, where the fund has pledged billions of dollars to prop up Greece. The fund also is a main stage on which the United States and China compete for international support for their economic policies.

"David's greatest strengths are his creativity and drive to solve things definitively," the Treasury secretary, Timothy F. Geithner, said in a statement.

Mr. Lipsky, a former chief economist at JPMorgan Chase, will complete his five-year term in August. He briefly took charge of the fund after the sudden resignation of Mr. Strauss-Kahn,

who faces charges of sexually assaulting a New York hotel maid.

*Keith Bradsher contributed reporting from Baton Rouge, La.*