

Economics and Africa: Alum

The **International Monetary Fund** is a global organization meant to foster economic cooperation and external and domestic stability across its 190 member countries. To do that, the IMF relies on an army of talented economists, accountants, and others to help advise and set fiscal policies the world over – people like UWM alumna Monique Newiak.

Newiak, who earned her Master's degree in economics at UWM, is an IMF representative stationed in the west African country of Sierra Leone. In her many years with the Fund, Newiak has met with presidents and policy makers throughout Africa to help grow the economies of several nations. She's also an architect of policies aimed at addressing the economic impacts of gender parity.

Newiak sat down to talk about her work in Africa with the IMF.

For the people who may not be familiar with the International Monetary Fund, what does the IMF actually do?

An aerial view of Freetown, the capital of Sierra Leone.
Photo by David Hond.

Our mission is safeguarding the exchange rate stability and avoiding balance of payment issues. That implies also having a domestically stable macroeconomy. Anything that will prevent vulnerabilities to the economy or sharp depreciation of the exchange rates or domestic instability, everything that will avoid financial distress to a country, is within our mandate.

We are expanding into new areas as well.

We realized that some of the topics that were not under IMF's traditional agenda are actually very relevant to economic stability within countries.

Such as?

An example is climate change. It's not as slow-moving as we would hope, and it will have impacts on fiscal balances and on the severity of natural disasters, which in turn affect the economy. And income inequality – if society is very unequal, there is more socioeconomic instability within the country.



Monique Newiak

My absolute favorite is gender equality. We have shown that empowering women and making sure that *everybody* in the country can develop their full economic potential is something really important for how countries perform.

There is research to suggest that the fastest way to lift a population out of poverty is to financially empower the women within it.

Exactly! When I joined the Fund, the institution was just moving on from the impact from the 2008 global financial crisis. My first job, around 10 years ago, was putting together an approach on how we advise countries on income inequality and gender equality. I spent a lot of time with colleagues to make that link between women's economic empowerment and access to equal opportunities for girls, and macroeconomics – whether that's growth, income inequality, financial stability, or economic diversification.

makes global impact with IMF

We just put out the IMF's first strategy on gender equality.

For example, in Sierra Leone, where I am working right now, we did analysis on how closing gender gaps in education would impact the economy, income inequality, revenue mobilization, and so on. Then we presented that to the authorities to advise them on their policy making.

How did you come to be stationed in Sierra Leone? It's a long way from Milwaukee to western Africa.

I was born and raised in Germany. My mom is Russian and Ukrainian and my dad is German, so we are a nice mix. I started studying in Germany in my hometown, Potsdam. I was studying for business administration. I was supposed to be an accountant or an auditor. But I soon realized that something bigger, more holistic, more economy-wide, would make more sense.



Sierra Leone is shown in green.

At the time, University of Potsdam had a partnership with UWM – a one-year Master's exchange program. That one-year experience changed my mind in terms of where I wanted to go professionally. The courses were really enlightening.

After that, I decided I would go for a PhD in economics in Munich, Germany. ... My PhD supervisor said, 'Why don't you try the World Bank and IMF, just to see if you like it?' I was like, okay, why not? Fortunately, the IMF made me an offer. I thought that maybe after three years I would go back to my beloved academia and write papers. Obviously, 10 years later, it did not really happen that way.

What went "wrong"?

I realized it was a fantastic opportunity to work with country authorities. In my first country assignment, I was placed in the Strategy Policy Review Department, but you would also get an assignment for a country, working mostly on external sector issues, balance of payment issues, and sustainability as well.

Ghana was the country I was assigned to. Our analysis mattered. We had access to all levels of policy making. On our first visit to Ghana, we got to meet the president. He signed his book for me, and I was very proud. We got a chance to present our thinking and it seemed to make an impact. ... It doesn't mean that the authorities or the government always agreed with what we were saying, but it was a real dialogue.

I wanted to stay with Africa. So, I worked with the West African Monetary Union – it was a francophone assignment and my French is bad, but I somehow managed. I signed up for all sorts of country missions in the region too. I went separately to Senegal, The Gambia, Guinea Bissau, Rwanda, Mauritius, and Republic of Congo. All of the countries have different issues, but we have a very close dialogue with them.

I think there is a tendency to think of Africa as one large, poorer continent. Obviously, that is not case. What do the economies of different countries really look like?

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Alum at the IMF

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It's super diverse. You have high-income countries like the Seychelles and Mauritius, which are high-end tourist paradises. You have a lot of commodity-exporters, like oil exporters. You have the relatively more developed southern end of the continent with South Africa, of course, and Botswana.

You have Senegal which is more a frontier market already issuing Eurobonds along many other frontier markets. You have Nigeria – I worked in Nigeria at one point – and it's a huge country with 200 million people. It has several states, and depending on where you go in the country, things look completely different.

In the east, I worked on Rwanda for a bit, which has made tremendous progress after the civil war and the genocide. That country has achieved so much in terms of creating a business environment, growth, reduction of waste – don't dare to bring a plastic bag to Rwanda. They will kick you out with your plastic bag!

And Sierra Leone?

Until a month ago, Sierra Leone was still on our list of 'most vulnerable' countries, which is also the reason I wanted to be here. It's one of the poorest countries in the world – around \$500 GDP per capita. You can calculate that down to how much a person has on average has per day. They have made tremendous progress in reducing maternal death and childhood mortality, but the statistics are still really quite depressing. It's very vulnerable to climate shocks – four years ago, they had a major mudslides that killed more than a thousand people in the capitals. It's very vulnerable to epidemics. Maybe you remember in 2014-15, there was the Ebola health crisis that affected Guinea, Liberia, and Sierra Leone.

It's a very import-dependent country as well. The authorities are trying to develop their own economy, and a lot of reforms are underway. But in any shock that comes through the outside – for example, during COVID with the supply chain disruption – the authorities need to make sure imports can come into the country because Sierra Leone does not yet produce enough food to feed the whole population.

You obviously care deeply about Sierra Leone. What do you like about your station?



People travel the road from Kenema to Kailahun District amidst Sierra Leone's lush landscape. Photo by Lindsay Stark.

If you're flying into the country, it's amazingly green. It looks so juicy! There are fantastic beaches, wonderful seafood. The city is very busy. It's really, really beautiful. I feel very sorry that most people think only about the economic challenges and poverty, which is extremely important – but the beauty of the country is just amazing. In a couple of years to a decade, this could really be a beautiful tourist paradise if you develop it right.

What does it take to be successful in this job?

It depends on what you're doing. I think everybody, especially after coming out of university and having learned economic principles, has very strong ideas about how things should be done. But we often don't see the political economy or context and the practical considerations.

For me, what is really helpful is to listen to what the country authorities want first, and not to come with prejudice. What is their priority and how can we support that? Programs are more successful when they are driven by the country authorities. I think listening and understanding the country's and then acting on that is important. Especially for a country like Sierra Leone where there are a lot of institutional challenges. ... How do you work around that? Accepting second-best in policy making is what we need to consider at times.

Do you have any advice for students who might be interested in working with the IMF?

If anybody wants to or is interested in the fund, I'm very happy [to talk](#) at any point in time.

By Sarah Vickery, College of Letters & Science