Overview of the IMF

January 22, 2018
Birth of the IMF...Over 70 years ago

Watch Video
IMF Today
Over 2,700 Staff
From 148 countries
Global Membership

189 countries represented
Non-members include: Andorra, Cuba, Liechtenstein, Monaco, and North Korea
How the IMF Works
Management
Where the IMF Gets Its Money

ECONOMIC DEVELOPMENT

- Emerging & Developing: 39.6%
- Advanced: 60.4%

VOTING SHARE

- United States: 16.5%
- Germany: 5.4%
- Japan: 6.16%
- China: 6.09%
- Other BRICS: 8.06%
- Other Middle East: 6.79%
- Other: 51.87%
6% Shift of voting shares to emerging market and developing countries
BRICS now in top 10 shareholders
“Our key mandate is to promote global economic and financial stability.”

- Christine Lagarde
Traditional Role of the IMF

The IMF is an organization of 189 countries, working to foster financial stability and inclusive growth through the following:

**SURVEILLANCE**
The IMF provides policy advice to its member countries on how to foster economic stability, prevent financial crises, and raise living standards.

**LENDING**
The IMF lends and works with member countries with financial difficulties to help them address financial problems.

**CAPACITY DEVELOPMENT**
The IMF shares its knowledge with member countries and works with them to build effective policies and institutions through capacity development.
Surveillance (Doctor)

- Bilateral, Regional, Global
- Evenhanded approach
- Spillover and cross-country analysis
Lending (Banker/Firefighter)

- **Non-Concessional**
  - Crisis management & prevention (e.g., Ukraine)

- **Concessional**
  - Tailored to country needs (e.g., Ebola)

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Conditionality is flexible, focused, social, and macro-critical
IMF’s network of **regional capacity development centers** and programs help tailor knowledge sharing to the needs of a region.

These centers facilitate an enhanced ability to respond quickly to emerging needs.

*Watch Video*
New Areas of IMF Work

- Inequality, jobs and inclusive growth
- Female labor force participation
- Corruption
- Climate change and energy pricing
Inequality

- Staff guidance on Jobs and Growth: Helping countries achieve inclusive growth
- Growth that is more equitable is also more sustainable
- Fiscal policy is a key to reducing inequality
• Increasing women’s participation in the economy is “macro-critical” – it can transform entire economies: boosts growth, promotes inclusion, strengthens economic resilience.

• Policies to empower women differ across countries—but one is universal: removing legal obstacles that exist in 90 percent of countries. In AEs, priorities include childcare, parental leave, tax reforms. In EMDCs, priorities include education, financial inclusion, infrastructure.

• IMF conducts research and provides advice to members – including through country surveillance pilots and programs.
The cost of Corruption

Follow the money

- The Fund has been looking at issues of governance since 1997.
- The Fund is now looking more closely at impact on economic performance and providing policy solutions.
- Bribery, a subset of corruption, is reportedly costing the world about $2 trillion per year, or about 2% of global GDP. The combined economic and social costs of corruption are even larger.
Climate Change

• Fiscal instruments can play a key role (carbon tax; removing energy subsidies)

• Policy design is critical—policies must:
  1. be targeted
  2. be cost effective
  3. strike a balance between environmental benefits and economic costs
Engagement with Stakeholders

Whom do we engage with?
• Civil Society Organizations
• National and International Trade Unions
• Parliamentarians
• Think Tanks/Academics
• Youth

Why?
• Effectiveness of policy advice
• Information exchange
• Finger on the pulse of country
• Policy dialogue