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World leaders pose for a group photo during the G20 summit in Pittsburgh, Pennsylvania.

Video



[G20 supplants G8 as key global economic forum](#)

G20 moves to bring IMF into 21st century

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PITTSBURGH, Pennsylvania - World leaders boosted the International Monetary Fund's central role in the global economy on Friday and backed a bigger voice for developing countries at the fund, long considered a rich nations' club.

After a two-day summit in Pittsburgh, the G20 group of major economies put the IMF at the heart of their pledge to coordinate the pursuit of sustainable, balanced growth after the worst economic crisis in six decades.

Vowing to "reform the global architecture to meet the needs of the 21st century," the rich and emerging powerhouses asked the IMF to help their finance chiefs assess whether individual members' policies are consistent with the group's global goals.

They also tasked the IMF with preparing a report on options for how the financial sector could help offset burdens of government banking bailouts before their next meeting, planned for Canada next year.

"The fund must play a critical role in promoting global financial stability and rebalancing growth," said the G20, which has tripled the fund's resources to 750 billion dollars since April to boost its lending capacity to help countries weather the crisis.

"As recovery takes hold, we will work together to strengthen the fund's ability to provide even-handed, candid and independent surveillance of the risks facing the global economy and the international financial system," they pledged.

The G20 also endorsed a shift in quota share, or voting power, to emerging market and developing countries of "at least five percent," part of the reform of the governance and structure of the lumbering Bretton Woods institution, founded in the aftermath of World War II to promote financial stability.

The emerging and developing countries have battled for years for a greater voice at the multilateral table to better reflect their growing weight in the global economy.

The G20, which Friday declared itself the top economic forum by dint of averting a global depression a year after a financial crisis accelerated, insisted all countries need to take responsibility for the world economy.

"Today's G20 commitment to a shift in quota share to dynamic emerging market and developing countries of at least five percent from over-represented to under-represented countries, and to protect the voting share of the poorest in the IMF, is a decisive move," IMF managing director Dominique Strauss-Kahn said.

"This historic decision, and the emergence of the G20 as a key forum for international economic cooperation will lay the foundation for a deeper partnership in global economic policy between emerging and developing countries and the advanced economies," he said.

"International cooperation has been key to the response to this crisis," said the former French Socialist finance minister, who took the helm of the fund in 2007. "The IMF's expertise will support this cooperative process of mutual assessment."

Strauss-Kahn put the onus on the G20 to act on quota reforms that were approved last year but still unratified by a number of countries, including about half of the G20.

"I urge countries who have not done so yet to ratify the 2008 quota and voice reforms so that deeper measures are possible," he said.

Humanitarian groups, however, said the G20 had shown little commitment to the needs of the world's poorest countries, which are suffering from a global crisis spawned in the advanced economies.

"The G20's proposal to give emerging markets slightly more voting power does nothing to help the poorest countries with the smallest economies which have been driven to the brink of a debt crisis by massive loans from international financial institutions," said the United Nations Millennium Campaign.

Max Lawson, a senior policy adviser at Oxfam, said: "This is not IMF reform, it is just tinkering at the edges. Unless it changes its rules to give poor countries a real say in the way it is run, the IMF will remain the world's rich country club."

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