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Executive Board selection process

Fischer, Koch-Weser, Sakakibara are nominated for position of next IMF Managing Director

The IMF Executive Board has received three nominations for the post of the next Managing Director to succeed Michel Camdessus, who resigned effective mid-February (see page 67).

On February 22, the Board received the nominations of Stanley Fischer, the current Acting Managing Director of the IMF, and Eisuke Sakakibara, former Vice Minister of Finance of Japan. On February 29, it received the nomination of Caio Koch-Weser, State Secretary for International Finance of Germany. Fischer was nominated by José Pedro de Morais, Jr., Executive Director for a number of African member countries; Sakakibara was nominated by Yukio Yoshimura, Executive Director for Japan; and Koch-Weser was nominated, on behalf of the member states of the European Union, by Joao Santos, an Advisor in the Board constituency that includes Portugal, which

currently holds the presidency of the European Union. A supporting statement was made by Bernd Esdar, Executive Director for Germany. The IMF's Executive Directors are in consultation with their respective authorities on the nominations received. Also, statements by the nominating Directors have been posted on the IMF's website (www.imf.org).

Stanley Fischer has served as First Deputy Managing Director of the IMF since September 1994. Born in Zambia, he was educated at the London School of Economics and the Massachusetts Institute of Technology (MIT). He was then successively an assistant professor of economics at the University of Chicago and a professor of economics at MIT. He has also held visiting professorships at the Hebrew University, Jerusalem, and the Hoover Institution, Stanford University. He is the author *(Please turn to the following page)*

Interview with Claudio Loser

Caribbean countries face both challenges and opportunities as they pursue integration

The Caribbean was the focus of a recent high-level seminar, held in Barbados on February 8, in which the IMF and several other international organizations participated, along with national and regional officials. The IMF's Western Hemisphere Department has also stepped up its activities in that region, as part of a "Caribbean initiative." The editors of the IMF Survey met with Claudio Loser, Director of the Western Hemisphere Department, to discuss important issues in these countries from both a national and an international perspective.

What was the focus of the high-level Barbados seminar and its chief message?

LOSER: This seminar was organized and cosponsored by the IMF and the Caribbean Development Bank. Participants included prime ministers, regional finance ministers, and central bank governors, as well as representatives from the regional and multi-lateral organizations, the University of the

West Indies, and the private sector. Many IMF representatives also attended, including IMF Deputy Managing Director Shigemitsu *(Continued on page 68)*



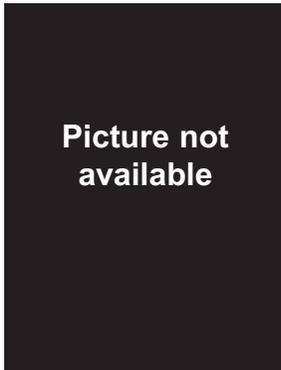
Loser: "In view of its size, the Caribbean cannot be self-sufficient; its economies have to be very closely associated with the rest of the world."

(Continued from front page) of numerous books and articles in the field of economics.

Eisuke Sakakibara is currently a professor at Keio University and a special advisor to the Japanese Ministry of Finance. He holds degrees from the universities of Tokyo and Michigan and served in a number



Stanley Fischer



Eisuke Sakakibara



Caio Koch-Weser

of positions in the Ministry of Finance before being appointed Vice Minister of Finance for International Affairs in 1997. He was also an economist at the IMF from 1971 to 1975 and a visiting associate professor of economics at Harvard University during 1980–81. Sakakibara is the author of a number of publications on the Japanese economy and other economic topics.

Caio Koch-Weser has been State Secretary for International Finance at the German Finance Ministry since May 1999. Prior to that, he served for 25 years with the World Bank in a number of positions, including those of personal assistant to then

Bank President Robert S. McNamara, Deputy Treasurer, Director for West Africa, Division Chief for China, and Vice President for the Middle East and North Africa, before being appointed Managing Director for Operations in 1996.

Under the terms of Article XII of the IMF's Articles of Agreement, the Executive Board has the responsibility of selecting the Managing Director, who should be neither a governor of the IMF nor an Executive Director. Once selected, the Managing Director serves as both chairman of the Board—where he exercises no vote except a deciding vote in the case of an equal division—and chief of the operating staff of the IMF.

The Board's aim is to reach agreement on the selection of the next Managing Director by consensus through discussion and through a process in which flexibility takes precedence over formalism. To this end, the Board held an informal straw poll by secret ballot on March 2. In the poll, Caio Koch-Weser received the largest share of voting power; Stanley Fischer received the second largest; and Eisuke Sakakibara, the third largest. Executive Directors will continue to consult with each other and their national authorities on the next steps. Although the poll can be only indicative, it enables the Board, and in particular its Dean—Abbas Mirakhor, Executive Director for the Board constituency that includes the Islamic Republic of Iran—to gauge the support for different candidates and judge the emergence of a consensus. ■

Sir Joseph Gold is memorialized as authority on international law

Sir Joseph Gold, a leading authority on international monetary law, who for many years was General Counsel of the IMF, died at his home in Maryland on February 22 at the age of 87.

Acting Managing Director Stanley Fischer paid tribute to Sir Joseph in a statement to the IMF Executive Board, as

“this extraordinary man who was so important in the life of the Fund for so long...Sir Joseph occupies a distinguished place in Fund history. His many contributions will remain as a lasting memory.”

A U.K. national, Sir Joseph was one of the central pillars of the IMF staff from its earliest days, serving in different capacities for 53 years and making a lasting contribution to developing the law of the IMF and to the better understanding of the IMF through his writings. He joined the staff as

a Counselor in October 1946, just three months after the IMF's doors were opened, and served in a number of senior positions before being appointed General Counsel in 1960.



Following his retirement in 1979, Sir Joseph worked for the IMF until last year as a Senior Consultant, a position from which he continued to write extensively on the legal framework of the IMF and the international monetary system. He was knighted by Queen Elizabeth II in 1980.

While on the staff, Sir Joseph was the principal draftsman of the First Amendment of the IMF's Articles of Agreement, which created the SDR, and of the Second Amendment, which revised the Articles after the termination of the par value system. He represented the IMF in various international forums, including a number concerned with the reform of the international monetary system.

Sir Joseph was a prolific writer on a wide range of legal issues pertaining to the IMF and the international monetary system. He was a legal lecturer at many universities, including the University of Michigan and Columbia School of Law. Sir Joseph was a founding member of the editorial committee of the *The Modern Law Review*, a member of the Advisory Board of the *George Washington University Journal of International Law and Economics*, and a member of the Advisory Board of Law and Policy in International Business at Georgetown University.

IMF Executive Board receives nominations for Managing Director, conducts straw pole

In two press releases, the IMF Executive Board announced that it had received, on February 22 and February 29, formal nominations for the post of the next Managing Director of the IMF. In addition, in a press release issued on March 2, the Executive Board announced that it had held an informal straw pole. The full text of Press Release Nos. 00/10, 00/12, and 00/15 is available on the IMF's website (www.imf.org).

Stanley Fischer, IMF First Deputy Managing Director, and currently Acting Managing Director, was nominated for the post by José Pedro de Morais, Jr., the Executive Director representing Angola, Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

Eisuke Sakakibara, former Vice Minister of Finance in the Ministry of Finance of Japan, was nominated by Mr. Yukio Yoshimura, Executive Director for Japan.

Caio Koch-Weser, Germany's State Secretary for International Finance, was nominated on behalf of the European Union member states by Joao Santos, an Advisor in the Executive Board constituency that includes Portugal, which currently holds the presidency of the European Union. Bernd Esdar, Executive Director for Germany, made a statement in support of the nomination of Koch-Weser.

Statements by the Executive Directors are posted on the IMF's website. ■

Pacific island countries receive help in strengthening financial sectors

The authorities of eight Pacific island countries—Federated States of Micronesia, Fiji, Republic of the Marshall Islands, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu—have agreed to the final text of a declaration on cooperation, intended to foster confidence in their financial sectors and in that of the region as a whole. The declaration was jointly drafted by staff from the Pacific Financial Technical Assistance Centre (PFTAC) and the Reserve Bank of Fiji, together with supervisory agencies that participate in the Pacific Islands Prudential Regulation and Supervision Initiative (PIPRSI), according to a press release issued by the PFTAC on March 1.

A joint project of the United Nations Development Program and the IMF, the PFTAC is playing a key role in advancing regional cooperation and coordination in financial sector regulation and supervision in the Pacific (see *IMF Survey*, January 10, page 15). The PIPRSI was formed because the Pacific island countries, despite improvements in their regulatory systems and supervision over the last decade, remain vulnerable to financial sector volatility and illegal financial operations. They therefore decided to reinforce their commitment to financial sector soundness and stability. Specifically, the countries will take steps to bring their domestic regulatory environment and supervision in line with international best practice. They will also commit to establishing more formal and extensive arrangements for closer cooperation and coordination among the members of the initiative.

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FINANCE & DEVELOPMENT

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The March issue of *Finance & Development*, which will be available shortly, focuses on the remarkably successful reform and recovery in Latin America and the Caribbean in the wake of the economic crises of the past few years. The articles, including several by finance ministers or central bank governors from the region, discuss the progress made in these countries and the global implications of their experiences.

An article by IMF Historian James Boughton offers a preliminary assessment of Michel Camdessus's 13 years as Managing Director of the IMF, highlighting his personal qualities and his contributions in the international sphere. Among the articles in this issue are

Latin America and the Caribbean: The Long Road to Financial Stability

Claudio M. Loser and Martine Guerguil

Argentina's Structural Reforms of the 1990s

Pedro Pou

Monetary Policy During the Transition to a Floating Exchange Rate: Brazil's Recent Experience

Arminio Fraga

Chile in the 1990s: Embracing Development Opportunities

Eduardo Aninat

Mexico: Recent Developments, Structural Reforms, and Future Challenges

José Angel Gurría

The Dollarization Debate

Andrew Berg and Eduardo Borensztein

Is the U.S. Current Account Deficit Sustainable?

Catherine L. Mann

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