

TEXTO

The role of emerging markets

Cosmetic surgery?

Oct 1st 2009

From *The Economist* print edition

The face of global economic governance is changing

SYMBOLISM or substance? The G20 meeting in Pittsburgh secured the place of emerging markets at the top table of global economic policy. “Bretton Woods is being overhauled before our eyes,” declared Robert Zoellick, head of the World Bank. The G20 leaders agreed to shift voting power substantially within the IMF towards “dynamic emerging markets and developing countries”, and endorsed similar reform at the World Bank.

They also announced that the G20 itself will replace the G7, a rich-world club that will now concentrate mainly on security issues, as the primary forum for international economic co-operation. The Financial Stability Board, which is supposed to oversee the co-ordination of global financial regulation, has also expanded to include the G20’s emerging-market members. But how much clout the developing world will actually have remains unclear.

That global economic governance urgently needs to catch up with the growing heft of poorer countries is undisputed. Emerging markets grew almost three times as fast as rich countries between 2000 and 2007. But the largest and fastest-growing, such as China, remained woefully under-represented at the IMF. Hence the G20’s most concrete promise, that 5% of the IMF’s quotas (which determine countries’ share of the votes at the institution) will shift away from overrepresented rich countries. Coming on the back of another (not yet implemented) shift in quotas in April 2008, this promises to alter the balance of power within the fund quite substantially. The emerging economies, led by Brazil, Russia, India and China, had demanded a 7% shift, but they are likely to be content with 5%.

But reforming IMF quotas will necessarily involve a loss of power for some countries, many of which have far more influence in the fund than befits their share of the world economy. Proposals to streamline the IMF’s executive board by eliminating the seats held by some European countries led to predictable howls from Britain and France, which are likely losers from any such move. On September 29th Axel Weber, a member of the European Central Bank’s governing council, said that “Germany and EU countries must continue to be treated as fairly and justly as other IMF members.” Meanwhile the decision to make the G20 the locus of discussions on economic affairs has upset smaller emerging markets such as Thailand and Chile, which are not part of the club.

Setting fairness aside, the main reason to reform the fund is the hope that countries will be more likely to heed the IMF’s advice if it is more representative. The fund’s previous attempt to get the big surplus and deficit countries together to deal with global economic imbalances, in 2006, was an abject failure. But even with reform, there is still a limit to what discussion can accomplish without a serious willingness on the part of member countries to act on unpalatable advice. When it comes to solving problems that require countries to alter their policies, argues Raghuram Rajan, a former IMF chief economist, “the fundamental question is, how much sovereignty are you willing to give up for the global economic good? The answer, right now, is zero.”

Tradução Livre No. 572

The role of emerging markets

O papel dos mercados emergentes

Cosmetic surgery?

Cirurgia cosmética?

Oct 1st 2009

From *The Economist* print edition

The face of global economic governance is changing

A face do domínio econômica global está mudando

SYMBOLISM or substance? The G20 meeting in Pittsburgh secured the place of emerging markets at the top table of global economic policy. “Bretton Woods is being overhauled before our eyes,” declared Robert Zoellick, head of the World Bank. The G20 leaders agreed to shift voting power substantially within the IMF towards “dynamic emerging markets and developing countries”, and endorsed similar reform at the World Bank.

Symbolismo ou significado? A reunião do G20 em Pittsburg assegurou o lugar dos mercados emergentes sobre a mesa da política econômica global. “Bretton Woods está sendo ultrapassado diante de nossos olhos”, declarou Robert Zoellick, diretor do Banco Mundial. Os líderes do G20 concordaram em mudar o poder do voto substancialmente dentro do FMI para “mercados emergentes dinâmicos e países em desenvolvimento”, e apóiam reforma parecida no Banco Mundial.

They also announced that the G20 itself will replace the G7, a rich-world club that will now concentrate mainly on security issues, as the primary forum for international economic co-operation. The Financial Stability Board, which is supposed to oversee the co-ordination of global financial regulation, has also expanded to include the G20’s emerging-market members. But how much clout the developing world will actually have remains unclear.

Eles também anunciaram que o G20 substituirá o G7, um clube dos ricos do mundo que agora concentrar-se-á principalmente sobre a segurança, como o fórum primário para cooperação econômica internacional. O “Financial Stability Board”, o qual supostamente vigia a coordenação de regulação financeira global, também será expandido para incluir os membros dos mercados emergentes do G20. Mas quão muito poder o mundo em desenvolvimento terá permanece não está claro.

That global economic governance urgently needs to catch up with the growing heft of poorer countries is undisputed. Emerging markets grew almost three times as fast as rich countries between 2000 and 2007. But the largest and fastest-growing, such as China, remained woefully under-represented at the IMF. Hence the G20’s most concrete promise, that 5% of the IMF’s quotas (which determine countries’ share of the votes at the institution) will shift away from overrepresented rich countries. Coming on the back of another (not yet implemented) shift in quotas in April 2008, this promises to alter the balance of power within the fund quite substantially. The emerging economies, led by Brazil, Russia, India and China, had demanded a 7% shift, but they are likely to be content with 5%.

Que o domínio econômico global necessita urgentemente alcançar(observar) o crescimento do peso dos países pobres é indisputável. Os mercados emergentes cresceram quase três vezes tão rápido quanto os países ricos entre 2000 e 2007. Mas o maior e o mais rápido crescimento, a China, permanece sub-representando no FMI. Por isso a mais concreta promessa do G20, que 5% das

quotas do FMI (a qual determina a divisão dos votos dos países da instituição) sairá da super-representação dos países ricos. Voltando ao passado de outra (não ainda implementada) mudança nas quotas em abril de 2008, esta promessa altera o balanço do poder dentro do fundo substancialmente. As economias emergentes, lideradas pelo Brasil, Rússia, Índia e China, a demandaram uma mudança de 7%, mas eles estão prontos para estar satisfeitos com 5%.

But reforming IMF quotas will necessarily involve a loss of power for some countries, many of which have far more influence in the fund than befits their share of the world economy. Proposals to streamline the IMF's executive board by eliminating the seats held by some European countries led to predictable howls from Britain and France, which are likely losers from any such move. On September 29th Axel Weber, a member of the European Central Bank's governing council, said that "Germany and EU countries must continue to be treated as fairly and justly as other IMF members." Meanwhile the decision to make the G20 the locus of discussions on economic affairs has upset smaller emerging markets such as Thailand and Chile, which are not part of the club.

Mas a reforma das quotas do FMI necessariamente envolverá uma perda de poder de alguns países, muitos dos quais tem mais influência no fundo do que servem suas ações para o mundo econômico. Propostas para aperfeiçoar o corpo executivo do FMI pela eliminação de cadeiras mantidas por algumas países europeus levaram a gritos da Grã-Bretanha e França, os quais provavelmente perderão algumas. Em 29 de setembro, Alex Weber, um membro do conselho de governo do Banco Central Europeu, disse que "a Alemanha e os países da União Européia deveriam continuar a ser tratados brandamente e com justiça assim como os outros membros do FMI". Entretanto, a decisão de fazer o G20 o local das discussões sobre obrigações econômicas tem frustrado pequenos mercados emergentes como a Tailândia e o Chile, os quais não são parte do clube.

Setting fairness aside, the main reason to reform the fund is the hope that countries will be more likely to heed the IMF's advice if it is more representative. The fund's previous attempt to get the big surplus and deficit countries together to deal with global economic imbalances, in 2006, was an abject failure. But even with reform, there is still a limit to what discussion can accomplish without a serious willingness on the part of member countries to act on unpalatable advice. When it comes to solving problems that require countries to alter their policies, argues Raghuram Rajan, a former IMF chief economist, "the fundamental question is, how much sovereignty are you willing to give up for the global economic good? The answer, right now, is zero."

Deixando a equidade de lado, a principal razão da reforma do fundo é a esperança que os países estejam mais prontos para prestar atenção aos conselhos do FMI se ele for mais representativo. O fundo previamente tentou juntar grandes superavitários e deficitários para negociar os desequilíbrios econômicos globais, em 2006, e foi um desgraçado fracasso. Mas com a reforma, há ainda um limite para que as discussões possam se realizar sem uma sincera boa vontade de parte dos países membros para atuar sobre conselhos desagradáveis. Quando eles chegam para resolver problemas que requerem dos países alteração de suas políticas, argumenta Raghuram Rajan, um antigo economista chefe do FMI, "a questão fundamental é, quanto da soberania que você está disposto a dar para o bem da economia global? A resposta, direta agora, é zero".