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This transcript is provided with the aid of a translator.

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P R O C E E D I N G S

MS. GRIESGRABER: Good morning, Mexico.

Good morning, Argentina. This is Jo Marie Griesgraber. We’re going to begin with some introductions.

And we sent out the agenda, and that’s what we will try and stick to. But we have about two hours and not a huge number of speakers, so we should be able to get everybody a chance to speak probably more than once.

So my name is Jo Marie Griesgraber. And for those of you in Argentina and Buenos Aires, I used to love to say yo me llamo Jo, which is not allowed in Spanish, of course. I have to be Maria José, but I’m not.

Okay. We will introduce people here in Washington so you know who you're looking at. And then we will go to Mexico and then to Argentina just for introductions.

MS. KUMAR: Hi. My name is Seema Kumar. I’m from the World Resources Institute.

MR. LOMBARDI: Hello. My name is Domenico Lombardi. I’m from the Oxford Institutes for Economic
Policy.

MS. GRIESGRABER: And Domenico will be doing the writing up a civil society paper. So it’s very important that he be at as many of these video conferences as his schedule allows.

MS. ZUCCHINI: Good morning. My name is Silvia Zucchini, and I work in the Public Affairs Division of the External Relations Department of the IMF.

MS. GRIESGRABER: And she did all the leg work to put this thing together, so she doesn't drink so we have to take her out for desserts.

Okay. Mexico, I see two people I know.

MR. UGARTECHE: Oscar Ugarteche from the Economic Research Institute of the Autonomous University of Mexico.

MR. AGUIRRE: Rodolfo Aguirre from the Red Mexicana de Acción frente al Libre Comercio.

MR. CULIGA: And I’m (inaudible) Culiga, former Director of the G24.

MS. GRIESGRABER: I think that’s Ariel Buira.

SPEAKER: Can you ask him to repeat.
THE INTERPRETER: Yes. The interpreter apologizes.

MR. CULIGA: Former Secretary and Director of the G24.


MS. GRIESGRABER: We hear you in Spanish in our -- in the room, not through the interpreter.

MS. GONZALEZ: Yes, now you can. Very well. María González from the Economic Consultant Forum for Mercosur, and I represent the General Workers Confederation.

MS. SCASSERRA: I’m Sofia Scasserra. I represent the trade workers of the Republic of Argentina within the General Workers Confederation.

MR. ECHAIDE: I’m Javier Echaide from the Workers Federation Union of Argentina.

MR. LARISGOITIA: I’m Andrés Larisgoitia from the Consultative Social Forum, and I’m also the Argentinian Workers Labor Union.

MR. NEMÍÑA: I’m Pablo Nemiña. I represent the University of San Martin (phonetic.).

MS. BOTTO: Hello. I’m Mercedes Botto. I
know some of you. I’m from FLAXO in Argentina, International Affairs Section.

MS. GRIESGRABER: Okay. Great. Welcome, everyone, and thank you for spending your time with us this morning, the last day of July.

It’s not really a very good day to be meeting although some of you at Jesuit institutions know this is the feast of St. Ignatius of Loyola.

So, just for a bit of irrelevance.

Okay. We’re -- we would like to begin with just brief descriptions of your own experiences with the IMF, and then I would like to move quickly through the paper that was distributed in July 13th by the Civil Society Fourth Pillar. And you can take exception to it. You can love it.

I don’t care. Let’s just get some good feedback and some good input on issues especially related to governance. But what the Managing Director told us when he invited us to put this fourth pillar consultation into operation was that nothing is taboo.

So with that, may I invite the three participants in Mexico. And each time you speak, if you could say your name, because we are doing an audio
tape. There will be a transcript and for the poor person who has to type all this out, they would like to know who is speaking when. Okay?

Just say briefly your first name and then we can go on from there.

Okay. Who’s going to start in Mexico. We’re going to start with the order you introduced yourselves. Oscar, are you ready?

MR. UGARTECHE: The problem is that I did not read the July 13 document, and I just began in this work two months. Can you turn off your mike, please?

A brief vision of the IMF is what you asked for? Well, what I have seen is an IMF that recommends economic policies and does not become accountable for them. I've seen an IMF where there is a veto system by one of its members, a shareholder structure where large countries are not really present, that is, they are not represented with the weight they should have in the shareholder structure measured in GDP and multiplied by international trade that is also measured by purchasing power parity.

I have seen either very encouraging results
in the last few years. What we have seen in the 80s and 90s and now we’re in 2009, so it’s three decades. And what we see is a low economic growth in general, in Mexico in particular it’s zero or almost zero.

In addition, we see great surpluses in developing countries, great deficits in developed countries. We see an IMF that does not monitor or apparently does not monitor, at least does not show its weight in the leading economies, and in particular it has allowed an imbalance. It’s not only a question of free economies, but it has led to an imbalance, to an external imbalance, a massive external imbalance, which has led to the present crisis or at least is partially responsible for the present crisis.

So I see an institution with many problems. In addition, for me, it is an irrelevant institution, and I apologize for saying that, because the size of the present problems -- and I'm not speaking only of the developing economies; I'm speaking about the world economy -- the size of the present problems is so huge that either the IMF sort of redimensions itself, as it did in 1944, sort of re-creates it self or what will happen is what has happened is that it sees a problem
in Europe and the U.S. that began in 2007 it has to be set aside because he cannot simply finance the imbalances that we have seen in the payment system.

So there is a problem of structural definition of the institution.

I think that for what it was designed for to begin with that was important, but at that time, the structure and the international order was completely different. And I'm saying that really thinking about the future, with all the good intentions, because I fear that we want to relaunch the IMF on the basis of what it had in the past and that does not bode well for the future.

Argentina’s example what the IMF did, and I think that it is not accidental the number of people who have been working with the labor unions in Argentina and it shows what's happening and what happened through -- as a result of the policies of Argentina.

Well, with that I finish. Thank you.

MS. GRIESGRABER: Thank you, Oscar. I believe -- go ahead.

MR. AGUIRRE: If I understood the objective
at this point was to do an introduction more than speak about our working experience vis a vis the IMF; is that right?

MS. GRIESGRABER: Go ahead. How do you know the IMF? How have you come to know it? What has been your experience with it?

MR. AGUIRRE: Very well. Very briefly, the Mexican Network for Free Trade Action has participated on several occasions and works to access the policies of IFIs. Specifically, I could mention that at the end of the last decade there was an assessment exercised by the citizens of structural adjustment, the SAPRI exercise. And our network participated in that.

Later, it worked with other Mexican organizations who or which have also developed assessments and follow-up of the IMF policies such as the World Bank campaign regarding gender in corporation, and it worked also in -- with work becoming before the Financing for Development Summit in Monterey, and presently it's doing follow up of work of other groups, such as the finances and trade group.
Now as for my specific experience or my specific impressions of the IMF, well, I think that Oscar has already summarized some of our impressions and some of the discussions we've had here.

So, as far as that is concerned, I have concluded my remarks. Thank you.

MS. GRIESGRABER: Okay. Welcome, Ariel.

MR. BUIRA: Yes, I'm Ariel Buira. I worked for five years as technical staff of the IMF, with a four-year break. After that, I was working at the Board as the ED for Mexico and a group of other countries, including Spain, Central America, and Venezuela.

And I left the IMF for about 20 years, and I returned to Washington in 2003. And I was there for another four years in charge of the G24.

In the meantime, I had been for many years at the Bank of Mexico. So my experience with the IMF is on both sides of the table, on the one hand, as part of the technical staff and on the other as a representative of a country, and then finally as a negotiator representing a country in negotiations with the IMF.
So I have quite a bit of knowledge about what happens at the IMF, and also about how it operates.

My impression is very similar to what Oscar Ugarteche said that it is an institution that had been losing importance and even relevance. The use of its resources reached a peak in 2003. I think it was $99 billion that were used, but then it went on a downfall. And by 2005, it went down to $43 billion. And by September 2008, it was $11.5 billion with only two countries that use the IMF. And, as a matter of fact, they were Gabon and Georgia.

And these arrangements weren't even active. Well, there were a number of reasons for all of this. In general the countries had been going through a period of boom; had accumulated reserves, and the world economy was doing well.

And in addition, what -- the IMF was being seen and it's still being seen as a tool, as a policy tool of the United States and the European Union.

So the fact that few countries really needed the IMF resources and the lack of legitimacy of the IMF due to its poor representative of member countries
(inaudible) made countries keep sort of back from the IMF.

But now there's been a change. Because of the crisis, many countries really need to use the IMF resources and they are coming to the IMF even if they have certain reservations about the quality of the house they’re coming to. But that’s the fact, and that’s the way it is. So the Fund, which at a certain time was kind of a credit union in which everyone participated, with time it divided into sort of two groups: one, the industrialized countries, the rich countries that for 30 years have not been using the IMF funds, but were the countries that decided the policies, the ones that defined the size of the quotas that were going to be provided by the countries and issued the rules. And then, on the other side, we had the developing and debtor countries, generally small countries, subject to rules made by the others.

So this led to a lack of credibility in the institution since many countries simply kept away from the institution, distanced themselves from the institution.

An additional element is that there was a
major change in the structure of the world economy through the last 10 or 20 years, which led to a substantial increase in the size of a number of developing economies, especially emerging countries, but which was really not reflected in the governance and in the IMF policies.

So the Fund was left with a power structure which basically was defined at the end of the Second World War and the fact that the world has changed does not seem to be reflected in the IMF. Things were left as they were, and even today, where intellectually it's already been accepted that the world has changed, and there's already an acceptance of the need that the governance and the power structure of the IMF change substantially, well, that's still in agreement only in principle.

But when you speak with the Europeans, and as was recently said, very recently, they simply are not willing to reduce their representation in the Board of Directors of the IMF.

And that is in the Executive Board of the IMF. And I'm saying the Europeans, because it's a clear case of a group of countries that are
overrepresented, very overrepresented. There are about eight or nine EDs. That is over one-third of the Executive Directors and the Board. Their GDP is about equal to that of the United States, but they have almost the double voting rights than the U.S. has.

And, as a matter of fact, in that voting rights, there are also other factors that are really very questionable. For instance, the fact -- well, I think Oscar already made reference to how the output is measured, how the GDP is measured. It’s incredible that for international bourses, the GDP shouldn’t or output shouldn't be measured in the terms it’s being measured.

There is a broad consensus among statisticians and experts that that's not the way to measure it on the basis of what is being measured now. And then the formula that was used for providing the quota to the Europeans includes a factor having to do with trade, and that trade includes international trade, then trade between, for instance, Belgian, Luxembourg, and the Netherlands, which is really the same currency.
And the fact that trade is in the same currency that does not -- that means it's not really international trade, even if there are borders between these countries.

You could also say that a trade between California and New York is international; or São Paulo and Rio, because they’re in the same currency after all.

So, if you correct that, well, the European quotas would decrease substantially -- 30-something percent.

So to make a long story short, the IMF has become an institution that is lacking credibility. It does not reflect the present conditions of the world economy. Thank you.

MS. GRIESEGRABER: Thank you, Ariel. And Ariel did really yeoman’s work as the Director of the Secretariat of the G24. I’m putting the issue of representation and the quota on the agenda, I think.

And what Mexico has introduced is the elements of the quota formula. I should tell you that yesterday we had conversations with Montevideo and Lima, with Johannesburg and Nairobi. And each city
seems to have different contributions to make, and so far we have the new -- the introduction of a new topic.

But I don’t want to distract Argentina. Okay. If we can keep our interventions brief.

May I go down the list we have. It’s not in the order in which she spoke, but it's so that we can track who is speaking. And maybe if you raise your hand, because we can't -- we're seeing a lot of backs of heads, so if you can help us that way.

May I ask Pablo Nemiña to speak first, and, Pablo, let us see who you are. I see a plaid shirt, but no face. Okay. Thank you.

MR. NEMIÑA: Before beginning to speak, I would prefer that three other people who did not have the opportunity to introduce themselves could introduce themselves. Is that possible?


MS. JARDINA: I’m Rostina Jardina from the CVT. I represent the international trade group of International Secretariat of the CGT. I’m in charge of the Doha Round and WTO.

MS. CASTRO: Hi. I’m Romina Castro. I
represent the General Workers Confederation, the Environment Secretariat.

THE INTERPRETER: I’m sorry. She’s -- oh, yes, now the microphone is being used. No, she’s not using a microphone. Apologizes, but she couldn't say what the name -- couldn't hear what the name of this person, because she wasn't using a microphone.

MS. GRIESEGRABER: Sorry. We could hear the last person. The last -- excuse me. The last person who spoke we couldn't see or hear.

MS. MEDINA: Yes, it was off. I’m so sorry. I’m Ainaim Medina. I’m from the International Relations Secretariat of the Workers Union of Construction in the General Confederation.


MR. NEMIÑA: Very well. Actually, my link with the IMF, my connection with the IMF, began first as a citizen when I began becoming interested in economic issues and political affairs. It was during the end of the 90s here in Argentina, with all of the consequences we saw and everything that everyone knows about the IMF's intervention during those years in the
Argentinian economy.

And then my interest in the IMF arose because he became the subject of my doctoral thesis. So my interest in the IMF is to understand why it does what it does, as simple as that or as complicated as that. What is the logic of the reasoning that leads to the IMF working in various countries, especially analyzing its intervention within the framework of its programs and arrangements that offer funding to middle-income countries.

I assess the non-concessional programs -- stand-by agreements, the extended agreements or the new agreements to borrow, et cetera.

So when I began my analysis, it began on the basis of a strong assumption resulting from the years in which I had been living in the -- the IMF is the financial and political arm of the United States. And what the IMF does responds to a great extent to the demands of the United States.

That was an assumption that came -- that I used when I started studying, and by analyzing data and information and carrying out interviews, one of the main findings I saw -- and I am speaking of
findings because I mean that has led to a change in my perspective and my opinion of the IMF -- and that is that that assumption was quite relative; that we had to really see that that assumption really limits us and does not really allow us to understand how and why the IMF acts.

So from the analysis that I did of a number of documents and negotiation procedures, what I found is that the IMF's action can be understood from three points of view. First, yes, in effect, there is a large influence by the United States and powerful countries, as any international institution. That is a given.

But at the same time, and in second place, the IMF’s actions can be understood because the IMF is an autonomous institution with its own interests as a social actor, if we look at it as a social actor.

And often, and in the third place, we have two realize that the IMF also has become a vector of the domestic political conflicts of the country with which it is negotiating.

Very often, the IMF seems or appears demanding that certain policies and measures be
implemented, which are actually are demanded by the government itself -- by the administration in power.

So and this was said by me at the beginning. All of this I found after leading -- after seeing, excuse me, documents that really supported these assertions.

So my recommendation and my main concern has to do with transparency; in other words, to improve and expand the dissemination of IMF data. Basically this is based then on three main proposals that I would like to make.

The first point is that it will be very important to ensure that all the text of all IMF agreements signed by the IMF with countries and the staff papers, staff reports, that are part of an agreement really allow people to understand what was being discussed when arrangement was led and that these documents be available not only in the IMF library, but also online.

I was able to reconstruct this corpus of documents, these agreements and these staff reports, by consulting all the libraries in Argentina, not only the IMF repository library, which is in the central
bank, but sending e-mails to the IMF (inaudible) people. The staff there, by the way, was very nice to me, and very generous with me.

But I mean is that this should be part of a normal procedure; that is, that the documents be very easily accessible.

Second, the question of the database on conditionality, which was made public at the beginning of this year, the MONA database. I had many expectations regarding that because of my research.

I believed that this would be very relevant social data. However, it was published -- or the data were published only as of 2002; that is, the data begin only in 2002. For instance, in the case of Brazil, Argentina, and Turkey, since the mid-'90s to now, yes, the information since 2002 is available, but not the one before 2002.

So I think you have to continue rebuilding and reconstructing these data to see what the demands of the IMF were, what the conditionalities were that it demanded, if they were complied with or not in order to reconstruct, rebuild, that map of IMF demands. But the database should reflect that
information, in other words, going back with the information, having more information from before 2002.

And finally, we have -- well, I know there are restrictions to the access, to the IMF Board’s minutes. I think there is a 10-year embargo, et cetera, and these minutes should be published or not and how much should be public or not.

As a researcher obviously I have to avail myself of this opportunity to say that it would be very advisable and desirable that these documents be available both online and on-site, both on-site and or online, but that there be some way of having access to these documents with as few restrictions as possible.

With these three aspects -- that is, if we insure access to agreements, staff reports, the MONA database with all kinds of information, getting compliance, and compliance, et cetera, and the Board’s minutes, with all of that, we would be able to have good sources of reliable data that will allow us to reconstruct the negotiation procedures and processes of the IMF -- what was done, what was not done, what was complied with, what not, and this will reinforce the idea that we finally get rid of the assumption
that many people believe regarding the IMF, that is
the arm of the U.S. to be -- go more into depth on
this. Thank you.

MS. GRIESGRABER: Thank you. These are
extremely interesting presentations, but I’m sure some
of your colleagues are getting a little antsy to have
their time at the microphone. I'm learning a lot.
Could we now ask Sofia to speak, and I notice several
of you are from the same institution. I don't know if
you want to present an institutional perspective. I
don't know if -- I saw some e-mail messaging about
that.

If not, please do, you know, make your
interventions a little bit succinct. I’m speaking to
you as a Northern Yankee. Thank you.

MS. SCASSERRA: I would rather have
colleague from the Forum to start, because our
presentations are sort of related, and I would prefer
to have Maria del Carmen González start first.

MS. GRIESGRABER: Okay. Go ahead, Maria
Carmen.

MS. GONZÁLEZ: Well, in principle the
question was how we heard or we met the Fund, and in
Argentina our knowledge of the Fund, at least for those of us who are older than Pablo that speaks to the plano austral, starting with the ‘80s and also the conditionality back then.

I can also put on my hat as a researcher. In the University of Buenos Aires, we did some research on privatizations in the (inaudible) sector, and we addressed the impact on jobs.

But here, I represent the Social and Economic Forum, and the Forum represents also the third sector of our country, the business sector. Unfortunately, we don't have any representative today, and we represent also the trade unions. And there are two representatives here from trade unions, and we’re going to present indeed our institutional perspective.

In principle, we'd like to say that what we see from the Forum is something that (inaudible) said in Mexico regarding the Board of Executive Directors, and indeed the Fund needs a stronger legitimacy on a world basis.

And for that, we need a higher participation of all the developing countries. The Board cannot always choose an ED or a European representative and
have a representative from the U.S. in the World Bank.

There's an over representation, and that speaks to the way quotas are assigned and calculated. And given the globalization, there's a higher democratization in countries, and as a result, we can have a democracy deficit in institutional organizations. We have to emphasize that, that the three sectors in the Forum put an emphasis on that. In other words, we have -- we need more democratization at the national level, and at the international level.

The second issue that refers to what Pablo was saying -- a higher transparency and better access. Transparency and access it's not only a matter of data, as Pablo said, that data before 2002. Plus, in many developing countries, there are many MOUs which are only in English, and there's no access. And at least it should be translated in the language spoken in the country where the arrangement is made.

So there's this initial difficulty, and there's the lack of clarity, and, therefore, citizens can't have access to that.

So we need to democratize this institution,
and, as a result, we need more transparency.

There's another important issue -- the role of parliaments when ratifying arrangements. Democracy means that the Parliament has to intervene not only when the MOU is agreed upon or when the conditionalities are agreed upon. We also have to intervene in terms of monitoring, in terms of follow up.

And in Argentina, I can talk about what I've researched myself. There was no assessment of the impact on the job situation. There was no impact on the quality of life of workers in a whole region, a whole region with 300,000, 500,000 people, which, as a result of the privatization, a whole region fell into poverty.

There's another issue which is fundamental, the fourth pillar, the interaction with the civil society. And as a Forum, we represent one of the sections. There are in the Mercosu, there are four sections. So we have also to have a regional integration perspective in our region.

In other words, representation has to be taken into account, and there should be a real
participation, and that cannot be done exclusively by an NGO, because there are sectors which are fundamental, and components, direct components or parties that are involved in a democratization process. And I'm talking about the trade unions and businesses.

These are the living forces of the working environment, and, therefore, there should be an institutional input. We need an institutional structure for a dialogue with an international financial organization.

Autonomy also is important, autonomy with respect to governments. It shouldn't be the government who opens the door to a given organization and not to another one.

In our case, for instance, we are here today because there's a collaboration between us, but there are institutions which have not been invited directly. And then my colleagues here could say the same thing. And then there's no participation of social -- a civil society. There's financing for the participation, especially when these discussions, these debates take place in the U.S. and Europe.
And I think that there's only one person, so I don't want to take too much time, but regarding macroeconomic criteria, monitoring, evaluation of policies on the Fund, regarding criteria, as far as we are concerned, and this speaks to our knowledge of the Fund, the Fund not only has to be restructured in terms of format, but also in terms of contents. Economic growth, macroeconomic variables have indeed to be taken into account, but the impact on jobs has to be taken into account.

You have indeed to take into account the fiscal side and the expenditures in society. In education, they are not expenditures per se. They are also investments. These are -- there has been some change, some cultural change, in terms of economic development.

So I think it's important to analyze these issues, and it's important to take into account real investment on top of financial investment, take into account what happened in 2001 in Argentina, I think it's a very symptomatic thing. But thank you very much.

MS. GRIESEGRABER: Thank you so very much.
That was very enlightening, and what you don't know is that everybody here in Washington is scribbling as fast as we can, as well as having a tape recorder going, so we're really trying to capture what all of you are saying. And I do invite you to consider e-mailing, you know, whatever you want to us. You have lots of e-mail addresses from us by this time.

What I do want to note is that the invitations -- new rules came together with every possible list of NGOs and civil society that we could come up with.

We pirated everybody's list, and I can promise you that for every e-mailing, we got 100 e-mails that didn't go through, so you can imagine the number that did go through. So we were really guilty of spamming the universe recently, so if others weren't invited, we apologize. Send us e-mails. We'll add them to the list. And the website, the fourpillar.ning.com is open to everyone, everyone. The only thing we don't allow is personal attacks, bad language, and one other thing that I can't remember.

But otherwise, everything's up there, so we really do encourage participation, and we have a short
timeline and Domenico is here, and he’s acting like a sponge, just absorbing all of your ideas. And then he gets to synthesize them, with lots of appendices.

Okay. If I may, I’m going to ask Mercedes from FLACSO, and, again, please do keep your remarks brief. At 11 o’clock, I would like to have the initial round finished, and then we would have an hour to look at specific recommendations that have surfaced in other places about IMF governance reform.

So if Mercedes.

MS. BOTTI: Thank you. I’ve been forced to come by some of the people present here. Indeed there are some people who are absent, but I must recognize that an effort was made to have the academia participant, or the academia participate.

Probably indeed, we will send you e-mail addresses so that there’s a wider participation.

What’s my link with the Fund? I’m a researcher. I’m a social scientist, and I research negotiations, together with the team -- economic and international negotiations.

My focus, therefore, is on trade and also on institutional reforms of these institutions. So in
FLACSO, I work on social policy. I teach social policy, and we teach about these international organizations -- what they do, what the conditionality is. I'm not a specialist in Fund issues, but I know the issues in general of international organizations, and the extent to which conditionality is applied the world over, and also the leeway that countries or national governments have in the face of this conditionality.

With that introduction, I'd like to focus on the proposal that you made. I'm not go -- get in depth, because we just received that yesterday. Maybe we could have done more work, but we had so much time available.

I agree with what my Mexican colleagues have said, and you want our opinion regarding the Fund, and we all agree that -- well, it has to exist, the Fund. And the proposal deals with potential reforms, and these reforms, from what I see are limited to the institutional part, not necessarily to the contents. We're not talking about conditionality, but I'll give my input.

Three issues. First, and I agree with my
Argentinian colleagues and with my Mexican colleagues, in the proposal I would change the order and the priority given to each issue. For me, I would put representation and votes first, the legitimacy of the Fund or the Bank, of WTO, speaks to the voice of developing countries compared to developed countries.

So first, the proposal should focus on the reform of the representation system. And then we will have the two items, transparency and also the management of the Fund.

Something which has not been talked about is the responsibility of bureaucracies. And I think it’s clear in the proposals. By that, I mean the bureaucracies of these institutions have a lot of power and sometime they sort of protect themselves behind that bureaucracy to certain omissions or errors.

And I think that the proposal has to be thought about also in that respect.

Second comment deals with transparency. My Argentinian colleagues have been very clear, very detailed in terms of transparency. It’s an issue which is very important. And it’s addressed quite
often, and we should probably focus or prioritize two things.

First, as Pablo said, the access to all the documents. These documents should be online, at least online, and also hopefully in libraries, but the Internet first.

Second, these documents have to be read; they have to be understood, because these documents sometimes are very complex not only because they are written in English, but also they are very technical.

So there should be an effort made to clarify so that there is a better reading of these documents. And then the coverage, the coverage is -- around all these tables this morning, there are only a few people present, so these documents, the information that have to be provided have to be extended to a larger audience.

And third, my suggestion to include another item in the proposal it’s an issue which I don’t know to what extent an international organization to do that, but maybe it’s the structure of a New World order which has to also to take into account the domestic dimension. I talk about the link between the
representatives of these organizations and national citizens, in other words, we here, we citizens.

I think it’s an issue. I’m not saying that it’s put aside. When we discuss this new architecture, world architecture, we talk about new institutions, but we never talk about strengthening the weakest link, in other words, the link between citizens in our countries and all these issues.

And there are two possibilities there, two ways. First, to strengthen domestic expertise, in other words, capacity building -- in other words, provide tools through training, through courses, legislation so that the participation is not a pure theory, so that participation is based on concrete content.

And second possibility how to strengthen the accountability of national representatives in these organizations -- accountability with respect to citizens and civil society, as my colleagues said.

So strengthening the link between these representatives and legislatures and civil society or directly with citizens, in other words, to replicate what we are proposing in transparency at the
organization level, the same thing should happen in every country.

Well, I think that’s all I wanted to say basically. Maybe I have left a few things out. But these were my notes. Thank you very much.

MS. GRIESEGRABER: Thank you very much.
Okay. If I might move down to -- again, there are several people from CGTRA. Do you have a lead spokesperson?

Okay. Why don’t you go ahead and what -- tell us your name again please.

MS. SCASSERRA: Sofia Scasserra. I represent trade workers, but I'm going to represent the CGT, the trade union CGT.

CGT fully agrees with the reforms proposed by Maria Gonzalez from the Forum. But on top of that, we’re going to suggest a couple of other things, some suggestions we'd like to send to the Fund.

First of all, the CGT thinks that we have to change undoubtedly, and I think that internationally there’s an agreement. We have to change the rating agencies, the risk rating agencies.

And there are two important issues which
have been discussed in the CGT. First, we think that these are not fair with developing countries because they’re a negative slant, because they are volatile, unstable, and all through the years, these countries have been fragile. When a developing country falls down like Argentina in 2001, we know about that case, the consequences are lower compared to the consequences of the mortgage crisis in the U.S.

If we have to look at a neighborhood level in any country, we should also look closely at neighborhoods of skyscrapers, sort of the image I would like using.

We have to more realistic, more detailed in assessing the countries which brought that type of disaster. The bigger the economy, the more scrutiny we should apply.

And rating agencies are supposedly or should be neutral. They can't be private entities. They can't defend private interests. They have to be independent, and there should be a wider representation.

In accordance with the expert commission from the U.N., chaired by Mr. Stiglitz in the point
95, there's a relationship between private interests and rating agencies. In item 99, there's a talk about independence of these ratings.

We think that the U.N. would be an ideal Forum to work on these rating agencies and to go ahead in that respect.

The Fund during its history has not consulted with trade unions. They are included in the monitoring of credit only in a few instances. Trade unions represent the weakest people in the -- in a country. And then you have the business institutions.

And trade unions and civil institutions which have a wider representation. And, therefore, I think trade unions should be the first to be consulted when you make a loan to a sovereign country.

In accordance with the proposal made by the Forum requesting the institutional participation of civil society, this item has to include on an equal basis all the member countries of the Fund.

And we have to take into account pluralities, differences, and take into account the civil society of each organization.

Sometimes with the Fund forgets the
importance of the real economy, of the job market. And, as a result, we think that the international labor organizations should also look at the reform process of the Fund. There should be indeed monetary considerations, but also labor considerations.

And countries have to develop whatever the monetary basis. If the real economy is healthy, without any doubt the monetary dimension is going to be good. It's not the opposite.

This is why we have to include the organization representing the real variable, by that, I mean the world mark. The ILO has to be around the table, and we have to listen to their proposals. This is the vision of the CGT in Argentina.

I don't have anything to add. Thank you very much.

MS. GRIESGRABER: Thank you so much for the contents and for the brevity.

I think we have -- I'm looking just right now -- you'll excuse me -- at organizations. There's a Central de Trabajadores Argentina. Is that a separate institution, and do you have a separate spokesperson?
MR. LARISGOITIA: Yes. Let me introduce myself. I represent the Argentinian workers union, the Central from the International Relations Secretariat.

I’ll try to be as brief as possible.

MS. GRIEGEGRABER: And your name?

MR. LARISGOITIA: I am Andrés Larisgoitia. Or Larisgoitia if that is any easier.

Basically, our relation is as representatives of the workers. And I want to be very brief as far as that is concerned. I think that at this point it is clear what the consequences on our countries have been on our economy and on our workers of the IMF policies in the last few years, that is, the effect it had on the Argentinian process. I'm not saying that it's all the responsibility of the IMF, but that it did have a lot of influence. It certainly did.

And I would like to speak about the process that has to do with democracy and the population. Our country already in the '70s we have to see that it was a country that in the '70s was living with good welfare, social welfare, 50 percent of income...
distribution to the workers, and 50 percent to
capital, and a productive development process, an
industrial development process which was quite large.

This process that Argentina was going
through, which was very good, was interrupted by our
military dictatorship and in domestic procedure with
genocide. Let us not forget that.

We, of course, realize that. I’m not saying
that there was one organization responsible for that,
but there were other external agencies that were
responsible for this process.

After that, what we have gone through in
Argentina is that -- well, we have seen that
throughout the world, there’s been the development of
certain ideas, and Argentina being one of the main
executors of these policy lines generated by world
powers was an obvious part of this.

So the implementation of these measures have
left the country with a situation where 30 percent of
the population is in poverty with unemployment levels
that are very, very high, and with a crisis that we
have (inaudible) some responsibility for.

Now what was the IMF’s role in that? Well,
the discussion and conditionality of certain policies that led to the 2001 crisis. Another thing is that once Argentina broke its relationship with the IMF and changes its model, then we began having growth at rates that had never been seen in Argentina -- eight or nine percent in the last few years.

So this is just to show what was happening and what is happening now. I am saying again it's not only the responsibility of the IMF. There other local actors (inaudible) with this, too, but in countries that have certain situations of imbalance, it is very important to see what the relationship is with local actors is, too, because this changes the (inaudible) of forces, and it allows for articulation that leads through national discussion it leads to resolving crises. And I think that that should be taken into account, too.

Now supporting what all my colleagues have said, and our labor union supports what they've said, but on the basis of that, I'd like to make another comment. It has to do with the present situation and the possibilities of change in the IMF, because if we begin discussing and what our colleagues have said is
very appropriate, if we begin to discuss, though, aspects such as transparency, governance, votes, et cetera, if we reduce everything to that we will only be looking at the formal things and not at the substance.

And in the final analysis, it's not a question of the IMF. IMF is only a multilateral organization, and I think that what we have to seriously discuss is what's the role of multilateralism in the international context or certain lines will be reasserted where we still maintain multilateralism, but still leave the governance of the world in two or three places, that these only two or three places are responsible.

But given that the crisis began in the center, it's not coincidental. It's not a virus. It's not that one operator made a mistake, but it's simply it shows that it's a problem -- a systemic problem that generated these issues of great power concentration and many institutions have been representing these interests. And some institutions that were created in a world looking for a harmonious way of articulating conference of development these
have become now instruments that defend certain global interests that are increasingly concentrated and that are leading to a dichotomy where some have been included and still have high rates of earnings. And many others are excluded.

So the question of the IMF as we see it, the substantive question is to first discuss a new logic for multilateralism, a new discussion on what the role is to be played by developed economies, but also by developing economies. What kind of economic, social, and political processes will ensure that every citizen in the world is included and not only a few privileged people.

And as far as that is concerned. I think that the IMF in principle has certain things to do and has a certain role to play. Of course, it does have to break conditionality. It has to put an end to that. That is obvious.

It has to make the process more democratic, and it has to understand that the situation in developing countries or in non-developed countries is different from those -- from the situation in developed countries. And developing countries such as
ours that face serious structural difficulties we are worried and concerned about the fact that the IMF is imposing or discussing certain policies that they themselves don’t implement, because now with the crisis we see that states are present in the crisis. In other words, states devote millions and millions of dollars to try to salvage and adopt certain policies, but they tell us, countries that don't have so many funds, to -- that we cannot adopt these policies.

So in the center, they’re adopting these policies, but they are not allowing us to apply different policies. And I think the crisis requires an in-depth analysis. And, as workers, we assert that one thing is the financial world which requires, of course, specific controls, and another thing is the world of the real economy and development with inclusion.

So as far as that is concerned, we assert or we have been saying and we associate ourselves with what others have said that we have to ensure that we have a world that will lead to development with inclusion, with a greater equity and that the IMF needs to recover its role as a space that finances and
improves the situation and does not condition certain policies. Thank you.

MS. GRIESGRABER: Thank you so much. I believe we have one last speaker or at least one last institution represented in Buenos Aires. Is Gonzalo Serra present from RESDAL? No.

Okay. Then let me go back to Mexico. I believe we have -- is he there?

SPEAKER: Yeah.

MR. SERRA: Yes, Gonzalo Serra from RESDAL. I'm very happy to be here communicating with you. Yes, I don't know if you can see the image, but, in any case, I really -- we really didn't prepare a presentation. This is a last minute thing that we prepared an institution.

THE INTERPRETER: Can you turn off your mike please?

MR. SERRA: Where we deal with security and defense issues in our institution, and we are trying to support this initiative, realizing the conflicts that we see in Latin America today are mainly of a domestic nature. They're different from the interstate conflicts that we saw in the past, where we
see that economic issues are a destabilizing factor, and a reason -- and something that concerns us. And we are trying to understand the problems that affect the various countries.

And we see that a main factor that has to do with the crisis is the fact that there are financial problems, that is, the crisis in general, and we see that the financial problems are a main factor, and we’re trying to see what is the route to be followed, of course, in terms of what we work with, which is security and defense.

I really don't have a presentation, a prepared presentation. I just wanted to say that I support what has been said, and I think that we should follow very closely the issues that are being dealt with and we’re trying to give our contribution from our point of view to the issue, to the issues that are being discussed today.

So I hope to be able to, on another occasion, to be able to make a more solid and sound presentation of this issue. But I just wanted to simply offer our support and our commitment to this issue. Thank you.
MS. GRIESGRABER: Thank you so much, Gonzalo.

We are delighted with your participate in. I see another person has joined us in Mexico. I presume you are Monica; is that correct? Monica Martinez Cardena (phonetic.)?

Would you like to give a brief statement, and then we will go more to -- a more tighter conversation about some of the governance reform proposals. Okay? Go ahead.

MS. CARDENA: Hello. It’s a pleasure to be here. I’m Monica Martinez. I am here only as a citizen. I think it's a good case to analyze the impact on the IMF’s public policies.

But for now, I have no paper. I don’t have -- I’m not working on this. I’m working -- I'm part of the unemployed statistics. But I am very interested in this, and I am very happy to be here, and I would have liked to see more people here, present here, because I think that this new restructuring, this new global restructuring, by the IMF is essential. And I would like to congratulate New Rules for this initiative, for really taking the
lead as an international intermediary, a global
intermediary, that is so necessary.

MS. GRIESGRABER: Okay. Thank you so much,
Monica, and the unemployed of the world feel well
represented now.

Okay. Listen. If I may, we have sent out
an agenda, and I will try and follow that. They --
I'd like to focus, if you will, in light of the clock
of our time. We have spoken considerably about
transparency. The only question that hasn't surfaced
to the date in the conversation so far has been the
policy papers and releasing policy papers before they
are finalized by the Board. That's one issue that
hasn't surfaced in any of the three events so far.

We have spoken about participation and about
voice and vote. I don't know if anyone would like to
address issues such as evaluation and its possible
role. Well, let me say that in the paper that I wrote
and in my thinking since, I really, really have been
obsessed with how all of the discussion of
conditionality and greater models and citizen
participation and all seem to all revolve around the
concept of accountability, with everybody wrestling
with that.

Yesterday we heard well, what about the role of the U.N. and the IMF. That’s my sense is that how do you -- how do citizens, how do governments get a hold of or how do we somehow make international organizations accountable? The old theory had been at the organizations are responsible to the member governments, and then the governments are responsible to the people.

And now we have different approaches to participation and transparency. But that’s an issue I’m wrestling with, and I don't know if I'm projecting.

But as you look at the outline, does anyone have specific recommendations in those areas? There's the external complaint mechanism. A call for an ombudsman was in the paper. Also, New Rules is promoting ex ante poverty impact assessments of macroeconomic policy so that governments and civil society organizations in country as well as IMF country teams can project the likely impact on the real economy, the likely distributional impacts.

That’s a long convoluted question, but I'm
just asking for quick, staccato feedback, if you could on any of those topics of what you disagree with, what should be clarified, what you'd like to add. Okay. I'll turn off my mike.

If you can raise your hand so we know who to -- the video does not help us read faces very well, so who really have something hot to contribute?

I think I see Rodolfo in Mexico? Okay. Ariel?

MR. BUIRA: Ariel Buira. Well, a point that has to do with what you were speaking about, but maybe it is actually an additional aspect is that the analysis or recommendations, the policy of the IMF are often seen as very ideological. And given the failure of many of the economic doctrines that we have seen that presupposed that markets are infallible and that we simply should not intervene might really make us think about policies that are more pragmatic, that include greater participation by the actors in their design -- greater ideological opening and less dogmatism, that is, less dogmatic policies.

I think it is clear that the elimination of great distortions in the market might be necessary,
policies such as those. But that is not sufficient to promote economic development.

The experience of countries that have had or shown greater development in the last two decades, Asian countries, this experience shows great pragmatism, excellent combination of private initiative and state intervention, case-by-case and according to the needs of the moment.

And here in Latin America, we have really have been guided most by the Washington consensus, whereby markets are perfect and infallible, and nobody should intervene.

And the recent financial crisis and several of the problems of low growth in Latin America what this has shown is that if we don’t intervene things might even get worse or things may be worse.

So that is one point that should be borne in mind.

MS. GRIESGRABER: Thank you, Ariel. I’d like -- what I’d like to do now is recognize Domenico Lombardi here in Washington.

MR. LOMBARDI: Yeah, thanks, Jo Marie.

Thanks for this very interesting discussion and
feedback that you were gathering this morning.

Actually, I would like to raise your attention to one of the items listed in the paper that Jo Marie has circulated. And, in particular, I would be very much interested in having your reactions, your views in terms of what has been the quality of how the representation of your country at the IMF.

And just earlier on, I think Pablo referred a lot, but also other speakers to the need of raising institutional transparency, of increasing the accessibility of documents, both online and on-site. But we haven't been touching so far the issue that IMF-member countries do have their own representatives sitting in the executive boards.

And, of course, the issue of transparency, the issue of strengthening representation also hinges on the quality of the interactions, on the accountability of these members to the countries that entrust them by nominating or electing them on the Board.

And certainly Argentina was -- did have its own representative on the Executive Board, for instance, at the time of the crisis, but it usually
has a representative on the Board, whether it is Argentinian or from another Latin American countries in its own constituency.

So really the -- what I would like to raise your attention on is to what extent you think that the accountability of your representatives from the board has been broadly satisfactory so far. What do you think should the reform really look like in terms of increasing their accountability or just, you know, changing the quality of the interactions between the Board representatives and the countries they represent. Thank you.

MS. GRIESEGRABER: Okay. I saw two hands raised. I believe it’s the women from FLACSO; is that you, Monica? Is that? No, it’s not Monica. It’s --

MS. BOTTO: Mercedes.

MS. GRIESEGRABER: Mercedes, if you lead, and then Oscar in Mexico.

MS. BOTTO: I think that this point is extremely important. It was the third point that I had mentioned, and that is the link between the directors or national representatives and the citizens of their countries.
I think that this is a subject of which little is known. I will speak about the Argentinian experience and the one that my students have had and discussions that we have had at the master’s program, where many people are third-line officials of social action or development ministries or people from the civil society.

And actually the knowledge that our people and we have on how the institutions operate maybe have to do with the number of crises that we are going through and that do not allow us to see global complexity.

But in any case, it is not a subject that is really being considered by people or that people know about. It is not a subject on which governments are trying to convey information, either.

So my question to you is what type of reform? What type of proposal can come from an institution vis-à-vis national entities, because we also have the aspect of intervention. But what I do think is that New Rules and the people such as us who are interested in this should strengthen this link between the expert technical staff, governments, and
bureaucrats who represent and have a voice, even if it's really small, but have some possibility of participating in these institutions' policies and that are really not connected with the citizens.

It is not a subject that is being discussed in public opinion. If I were to ask who our representative at the IMF is, I'm sure that very few people would know who it is, and how they rotate according to the government in power.

So I think we would have to strengthen two aspects. First, we have to strengthen -- that is, we have to improve expertise, knowledge, and discussion on these issues, and there have to be clear rules so that the domestic representatives or national representatives, that is, the representatives of our governments in these institutions have the obligation of being accountable to the citizens; in other words, to inform on this and to give people access to many of these documents, which, as Pablo said, are not available. Thank you.

MS. GRIESEGRABER: Thank you. Okay. Oscar?

MR. UGARTECHE: What I could add is that the subject of representation has to do with the
central bank basically. And central banks in general are hermetic, are very closed, because of their function within the economy. So there’s a contradiction there, because the central bank, due to its economic situation is hermetic and also because of the information they have on who they represent and what they represent. So this a problem, a complex problem, because central banks can on the one hand not abandon its closed aspects, but on the other hand, the representative before the IMF has to be accountable.

The world accountable per se does not really exist in Spanish for a very good reason. As a word per se, we say rendir cuentas, but to sort of be responsible before, but it’s not really the word accountable. And the reason it doesn’t exist is because really people do not want to be held accountable. And we all need to be accountable, not only at the level of the IMF, but at the level of all kinds of organizations.

MS. GRIESGRABER: Okay. Listen. Just I saw a hand in Mexico, and there's one in Argentina. Just one smart-mouth comment, if you’ll allow me.

The head of the Federal Reserve in
Washington right now is sensing that his job may be in jeopardy and suddenly he's very open and he's out giving talks and speeches in Kansas and middle America. It's quite humorous. He senses that he may be a short-lived governor of the Fed.

So that's one suggestion, but that's beside the point. I'm sorry. Let me go back to -- okay. I saw. Excuse me. I saw Rodolfo in Mexico first, and then the other hand I believe from -- excuse me -- Andres, is that correct? Okay.

So first Rodolfo and then Andres.

MR. AGUIRRE: Simply to add to what was being said here, also have democratic deficits here. I don't think it's only the case of Mexico, but we do have an enormous democratic deficit in our country as so much so that in order to either to try to approach the officials to get an explanation from the decisions that is practically impossible to begin with.

So, and to that we must add the question of accountability between the decisions that a government makes and the recommendations that the IMF makes, where the officials of the IMF can say, for instance, that the policies are appropriate but that they're not
being implemented correctly in the countries, and then
the country officials can say, well, there are a
number of externalities, and that is why these
policies have not been implemented.

So we’re combining a number of factors that
on the -- that show that on the one hand, we have a
democratic deficit and then on the other we have this
ideological debate where policies really fail and, but
we can’t really question the IMF officials on the
viability of these policies.

Another aspect that we should add to that is
the problem of access to organizations or citizens
that is the fact that they have difficulties in
finding out who their representative is and having a
space of discussion. I think that this forum, though,
is an example of the problem, because even though it
may be a problem of logistics, it also reflects the
substance of the problem, because --

THE INTERPRETER: The interpreter
apologizes, but there's some interference with
Argentina.

MR. AGUIRRE: But in any case, we’re saying
that we have to make sure that we know whom to
approach.

MS. GRIESGRABER: Okay. Just for your information, your executive director's name is available on the website of the IMF. You go to the web page, and then it says "who are we," and it has a list of government officials. And for their e-mail, you take their first initial and their last name at IMF.org. And bingo, you're in.

You can also just use the central phone number. I mean that's a specific answer to a specific question. But I don't want to interfere with -- am I correct that the person in Argentina wishing to speak is Andres, was that correct?

MR. LARISGOITIA: Yes. Simply to reaffirm. We were talking about this here. The thing of the central bank secrecy and who appoints the representative -- if it's the central bank. And the fact is that in Buenos Aires because of the IMF's conditionality, the central bank is autonomous. So we have that problem. On the one hand, they are secret, which is logical, but they're also autonomous, and that was a demand made by the IMF.

Now the issue of transparency, the
possibility that the organization itself put in the Internet and its website all kinds of public information that civil society and all actors -- political actors and people representatives -- that they all have access to that and be able to define a policy, because you must understand also that a country that goes to the IMF is because it has some difficulties, and that already per se is a conditionality.

To achieve the objective very often generates some types of conditionalities or a situation that it must be taken into account. So the support or lack of support of this type of negotiation by society has to do with documents. People who negotiate, though, don't often want to provide this information.

So these negotiations have to be transparent in order to be able to receive the support of the citizens, because, in the end, they are the ones who are being represented.

MS. GRIESGRABER: Okay. And now I think I see Pablo’s plaid shirt.

MR. NEMIÑA: Just to -- yes, it’s Pablo --
to emphasize what Andrés was saying. Here in Argentina under President Kirchner, a law of access to information was passed. Any citizen can request from any public information -- public institution, excuse me -- information that must reply. It can say well, the information is available or not available, but there are many cases in which this law has faced obstacles in having access to information.

But, still, it is an important and good step to have an information act -- public information act that has been passed by Congress.

I have found out informally that in the case of the Argentinian Director, copies of the minutes, transcriptions of the ED -- of the Executive Board are sent to the Ministry of Economy, which makes sense. It is logical that the Argentinian representative at the IMF send a copy of the minutes of his presentations at the Board to the Minister of Economy in Argentina and consequently to the president of the country.

So I asked to find out if I could access to these copies that exist in the Ministry of Economy through the Freedom of Information Act, and the reply
I got was that these documents that are in the Ministry of Economy are actually -- they belong to the IMF. There are there in the Ministry of Economy, but still they're only there informally.

Formally, they really only belong to the IMF. So until they are disclosed publicly, until the IMF discloses the minutes publicly, they cannot be made public. And consequently, taking up what Andrés was saying, if we try to expand transparency in the dissemination of data by the IMF, if the IMF were to improve its dissemination of data, that would really help citizens. It would allow citizens to claim from their directors to ask them to be accountable.

I really can't ask the director of my country what to say something if I don't really know what he said. Thank you.

MS. GRIESGRABER: Okay. That was a good question, Domenico.

I guess I'd like to move down then to the last set of questions, and if each of you were to -- I don't want to change topics too quickly if others want to speak on any of the specific recommendations for governance reform, for example, the utility of a
Council in addition to the Executive Board. I don't
know if any of you have strong feelings about that
were even know whether it's worth thinking about.

Okay. It’s a strong recommendation in one
of the commission of experts that was headed by Trevor
Manuel. I don’t know if, Ariel or Oscar, you might
have some thinking about that or anyone in Argentina?
About the Council? Okay?

All right. If each of you were given one --
a hand flew up from FLACSO. Go ahead, Mercedes.

MS. BOTTO: I’d like to come back to the
proposal regarding the assessments. My impression
when reading the proposals is that they are focused on
an internal assessment mechanism regarding the
different fora inside the Fund.

Why shouldn't we think in terms of external
assessment? There are -- there’s an experienced in
the case -- maybe not too good -- in the case of the
World Bank, but the fact that these bureaucracies,
these staff -- the fact that all the politicians are
concerned. Like you say, the governor wants to keep
his job.

That does not prevent a control. And isn't
there a risk of more bureaucracies. So should we have an external evaluation?

MS. GRIESEGRABER: Okay. This is -- I'll get back to you, Oscar, in one minute. The proposals on the evaluation are quite micro, I agree, in terms of how the institution is run. What you have to be aware of is at this point staff are evaluated very thoroughly, but management is not evaluated.

Executive Directors are not evaluated, not individually nor as a body. Nor is the Board of Governors -- well, the Board of Governors it would be hard to have anyone external to them, but there is an absence of evaluation at those levels. So the Managing Director, the three Deputy Managing Directors, and the -- all Executive Directors and the Board do not get evaluated.

So, yes, there's -- that's one set of issues that the paper addresses. The other items that I'd like to note is that evaluations of IMF processes, except for the few reports done by the Independent Evaluation Office, tend to be done internally so that evaluations of success or failures of country projects would be carried out by the SPR, Strategy, Policy, and
Review Department.

So when low-income countries are asked -- the officials are asked, well, how's the IMF doing in your country? Everybody says, oh, great, you know.

So, in that sense, yes, an external evaluation is appropriate. We're trying to get at some of the micromanaging the Fund, I guess.

That's a fair question, though, Mercedes.

Okay. Let's go back to Oscar.

MR. UGARTECHE: Jo Marie, apart from evaluating the staff, you've got to evaluate policies.

If we see that there are more exports, more reserves. The GDP per capita has not gone up significantly in Latin America, with a few exceptions, the fixed formation of capital, the rate is more or less the same in spite of the fact that there are open investment rules.

And we see that salaries, wages, which had come down in the '80s have not picked up since. So there's something fundamentally wrong, and it is not being assessed. We just -- there's just an ideological. Are we in favor or against free trade, and that's not the point.
Here there’s a theoretical point, which is fundamental: how we see the world and what staff do we have? I mean what’s -- we have to evaluate that. We do that in academia everyday, but we have to -- this has to be done institutionally, not only at the Fund.

MS. GRIESSGRABER: How would you do that in the Fund, beginning there, Oscar? Do you have any ideas?

MR. UGARTECHE: I don’t know. I don’t know. But at least I've raised the issue. It goes beyond or is probably deeper than probably there is a need for more academic discussion. I don't know.

I’m talking about long-term outcome. We can't assess policy outcomes on the basis of the performance of an economy over one year. I mean you've got to look at 10, 15 years; otherwise, it doesn't make any sense.

And it’s clear that there's a problem there.

MS. GRIESSGRABER: Okay. In Buenos Aires, there's a gentleman with a beard and a jacket, and I can't see who you are. So give us your name again please. You’re raising your hand.
MR. ECHAIDE: Thank you. Javier Echaide. I come from the CTA, trade union.

I agree with what our Mexican colleagues said and also taking into account what has been discussed around the table here on our side, there's something going beyond internal evaluations.

If I do a self-assessment and on that basis, I can continue to work or not in the Fund, obviously I want my self-assessment to be as good as possible.

If the assessment or the evaluation is an individual, so but if we evaluate the Fund policy, if the evaluate the Fund, taking into account the political impact. I'm not talking about the Fund, but the IFIs in general -- the Fund, the World Bank, WTOs and other institutions, which are involved in these policies, then we will see the relationship between institutions and the political context.

If we do that kind of macro assessment, so to speak, well, people, say, well, it's the ideological, but that's true. But the ideological discussion, if that's the way it's called, it's a healthy one. It's a healthy one because, as Andrés said earlier on, neo-liberal policies have been
applied in the 25 -- for the last 30 years, and this has been a disaster, at least in Latin America.

Our friends in Washington said, indeed, in Argentina in 2001, there was an ED representing Argentina. And there was at that time a very hard crisis, but our own assessment was that we had to have five different presidents in a single week.

Showing individual responsibility, Mercedes talked about bureaucracy and the way they operate in these institutions. But sometimes that’s probably the tree hiding the forest. It goes beyond individual accountability, beyond the bureaucracy. It's the general implementation of policies by institutional -- international institutions. Thank you.

MS. GRIESEGRABER: Okay. Thank you. Our challenge -- just a second, Ariel -- our challenge is that we will -- we’ve been asked as civil society to give recommendations. All that we're putting here will be in a paper, and it will go well beyond what we've been asked to do in narrow focus of this consultation on governance recommendations.

But we will be meeting with the Executive Board on September 8th, and they will want to know our
ideas for the debate they’re having at the IMFC, the International Finance and Monetary Committee, which is a committee of the Board of Governors, about what they decide or not about IMF governance reform.

And one of our messages is going to have to be that it has to go beyond internal moving of the deck chairs. I won't say on the Titanic. But we have to go beyond, you know, the micromanaging of management there.

But we will have specific -- the Board will be looking for specific answers to specific questions. But we’ll give them more than what they want, I'll bet.

Okay. Ariel, sorry to have you wait.

MR. BUIRA: Yes, because I think that the conditionality issue can be looked at indeed in the last round of interventions and that refers to the -- all these policies that are implemented or imposed upon by these organizations.

And there there are fundamental questions. To what extent having your own policies in a democratic country, is it compatible to a -- with a conditionality which is imposed upon by an outside
World Bank, IMF, whatever.

This is the type of questions we may ask ourselves. To what extent is conditionality compatible with transparency and accountability? If conditionality is imposed by a financial institution in Washington, if things do not work out, who has to be accountable?

Who’s responsible for that situation?

There’s enough transparency to know who’s participating in this and that to assess each one’s contribution.

When a country is in a predicament, conditionality can be coercive, because a country doesn't have options. Either you accept policies or conditionalities or you don’t have any resources.

And probably even be situation can be worse. But, well, if that were the case, who's responsible for the effects of the policies? Is that the government or the institution which is imposing that from outside?

The government has to be accountable with respect to whom, the electorate or the IFI, which is controlled by the G7.
Well, that’s -- if the program fails, which happens at times, either because the design is not good or maybe there are not adequate financing to support the program, who's responsible for that?

Who has to be accountable for that failure? The failure has to be assessed, reviewed, and one will have to say, well, maybe the design was inadequate, the financing was inadequate, or whatever reason.

And if international institutions were not accountable or responsible for the performance of programs, now that would be a situation where you would have power without accountability. Do we want that?

We have an institution controlled by a group of industrialized countries dictating certain policies which are conditions to get financing, and if the program doesn't work out, well, who’s responsible -- the country, the government, the trade unions?

Or is there a shared responsibility, shared with outside parts. Or are the ones we impose the conditions of the program responsible?

This is an issue that we have to address carefully. Thank you.
MS. GRIESEGRABER: Okay. We’re raising very good questions here — philosophical, profound, institutional. It’s a very rich conversation. Are there — let’s see — Seema here in Washington had wanted to raise a question. It doesn’t follow directly from Ariel’s, but I’m going to ask her to take the mike.

MS. KUMAR: Hi. Thank you. My question is really quick. It’s in regard to civil society participation. I know that there is a great consensus that we need to increase civil society participation. And my question is, do we have — does anybody here have any concrete examples as to how we can actually increase civil society participation, whether it’s through an establishment of a separate committee on the governance structures of these organizations or whether it’s through formal, more integrated discussions.

I would really like to get your opinions on that. Thank you.

MS. GRIESEGRABER: Go ahead with your hand up, and tell me your name.

MS. GONZALEZ: Maria then from the Foro
Consultivo. And actually I represent the civil society from the Mercosur.

In many countries, in Argentina, as a matter of fact, there's an economic and social Council, which is going -- being set up, so there are possibilities for dialogue and other fora. Three-part fora have been used. Like in our country, the plan for a decent labor. There are three-part represented. We have forum mechanisms, where we have three, four sets of stockholders.

We can see also examples when international organizations consult the social society organizations. In the case of Bolivia, there was a possibility where there was not even any structure, but individuals, officials were invited to contribute (inaudible) with an ex ante structure. But there was a wide possibility, but I must say that all programs in the Fund in all these programs and businesses, trade unions, major trade unions and businesses have not been consulted. These are major issues, and I insist -- maybe it was not clear in what I said earlier on -- but the issue of representation is fundamental, the representation of civil society,
where you can indeed convene many organizations from the civil society.

But it’s important to have organizations with a wider representation, be it in academia, business, trade unions. These major organizations cannot be absent like what has happened in the other countries in Latin America.

In order to privatize, for instance, the water supply, many organizations were consulted, but organizations which had just been created.

So when we talk about civil society organizations, we have to take into account their representation, what they represent.

Here we have the two trade unions represented here, and these trade unions represent more than 7 million workers.

So we’re talking here about representation.

Thank you very much.

MS. GRIESEGRABER: Okay. Go ahead.

SPEAKER: The discussion -- what was the information where we’re talking about a disconnect between the authority representing us and the Fund and the country, the citizenship, the citizens, the people
who know the issues there -- where the problems are.

Well, my question is how to find this link, and the Fund has a lot of work to do, and it's an important step, taking more efficient action, more effective action so that the staff, the EDs, the Board of Executive Directors require accountability.

No project should be approved in any country if there is no mechanism authorized by the civil society.

There's a lot of things to think about in that respect. The civil society has to be involved in that respect.

MS. GRIESGRABER: Okay. I see Andrés hand and then Rodolfo's and then we are approaching 10 minutes 'til cut off, and literally the cameras shut down and we just -- our mikes go dead.

So Andrés and then Rodolfo.

MR. LARISGOITIA: I'll try to be as brief as possible regarding the presentation of civil society. The proposal for the Fund would be two-fold: first, the overall multinational structure where it's difficult to have a clear idea of the opinions of civil society. And we need a mechanism, some kind of
council, some kind of structure, to represent the different sectors of civil society, to have a real representation.

And this is what we’re talking about -- the policies of the Fund, the objective, the operations and us -- I mean there's not a mechanism also which refers to the agreement between the Fund and the country.

The Fund has to impose a consultation, and as Marita said, you've got to talk about the representation without excluding anyone.

Plurality is one thing, and representation is another thing. We have to put these things together. We don't have to exclude any sector -- academia or the expertise. But there should be a good representation of the institutions which most -- which better represent society.

Otherwise, there is a risk. Just a simple consultation, and we have seen that in the past, with some (inaudible) representation, you can say I feel very comfortable and say, okay, we have consulted civil society. But actually nothing has been done and there's no real impact from a political standpoint.
And it’s a risk, and it’s -- we’re not really taking into account citizens representation. Thank you.

MS. GRIESEGRABER: Okay. Rodolfo?

MR. AGUIRRE: Very quickly. There are certain ground rules that we could take into account regarding participation. Unfortunately, our experience is not very good one. It’s not a very good one with the government.

Quite often, there are what’s seemingly is consultation, but actually if you read between lines, there’s nothing real. So we need some basic ground rules. Participation has to be representative, informed sometimes. Indeed, some departments of the government invite us to discuss, but they don't know the real issues. And, at the end of the day, the discussion is diluted.

Sometimes a sector, the private sector is represented or contacted, and the people might say, okay, we have consulted with civil society in general. No, we need some basic requirements so that they participation is informed. The information has to be timely. For instance, I received this the day before yesterday, so timeliness and also something which is
important: once we leave here, we have to have some
certainty regarding what's going to happen.

And in the case of the Mexican government,
they listen to us and they go, and we may think that
they have been listening to us, but our opinion never
really is taken into account.

So we like to have some certainty, be sure
that these processes go somewhere, and that our
opinion is going to be taken into account.

So there should be some minimal requirements
and that participation so that all of us know that
what we're going to say is going to be useful, and
it's not going to be just used to check a box of, you
know, having consulted civil society. Thank you.

MS. GRIESEGRABER: Okay. That's excellent
and very timely.

I would like to explain what is going to be
happening next so you can track it. Domenico is going
to be writing -- Domenico right here -- raise your
hand, Domenico; okay -- he's going to be writing a
draft paper which will be ready probably in the late
second, early third week of August. We will post that
paper on the website that I mentioned,
www.thefourthpillar.ning.com, and I believe all of you have that in the invitations you received.

There will be about seven to 10 days for very rapid turnaround, very rapid feedback. You can say you hate it. Specific recommendations are always more welcomed than this is really bad writing. That doesn't help very much.

And the other thing is Domenico will then revise it, and we have to get that paper to the Executive Board by September 1st. And Domenico will be doing much of the work because I have two weeks in which I cannot work on this project. I have other commitments.

And then the Board receives the paper on the 1st. On the 8th of September, I believe -- I think that's about the date -- we will then have an informal seminar with the full Executive Board. We are trying to find someone from a developing country who can be here. We don't have budget to bring anybody, but we would love to get someone besides Domenico and me speaking to the Executive Board.

But we will do our very best to give a comprehensive summary of what we are hearing. We
won’t be able to say everything, but whatever you want you may also post on the website which is open to the Executive Board as well as to civil society.

It’s just plain open. Yes, I see a hand in Buenos Aires. Go ahead.

SPEAKER: A question: what’s the e-mail address to which we can send the contribution, the input that we have made in this meeting so that Domenico has the whole input so he can work on?

MS. GRIESEGRABER: Okay. If any of you RSVP’d to the invitation, if you responded to an invitation, that is the e-mail address. The easiest address is jbaker -- she’s my colleague -- jbaker -- jota, be, a, k, e, r at -- I’m going to give you the direct e-mail -- at New -- N-E-W hyphen R-U-L-E-S punto O-R-G.

You may also send it directly to Domenico Lombardi, and Domenico is going to give you his direct e-mail.

MR. LOMBARDI: Yes. My direct e-mail address is dlombardi -- so, it’s a “D,” like Domenico, then a Lombardi, L-O-M-B-A-R-D-I at Oxonia. That is O-X-O-N-I-A dot org.
MS. GRIESEGRABER: We will post these e-mails on the website, on the fourth pillar website. And, again, we encourage you to use the website. You can post papers that you have already written. Remember we don't have a lot of time so don't send us a link to your book or to your full dissertation. We don't have time to read it. Okay.

Domenico reads Italian and English and French, but not Spanish.

Ariel, you have your hand up? Ariel, did you want to speak?

MR. BUIRA: No, I didn't. Thank you.

MS. GRIESEGRABER: Okay. Argentina?

THE INTERPRETER: Unfortunately, the mike wasn't on.

MS. GRIESEGRABER: Okay. Sorry, Ariel, the mike was not on. We have one minute left, so with that, what I'd like to really do is thank each and every one of you. Ariel, go ahead.

MR. BUIRA: No, no. Sorry. I didn't want to take the floor. Thanks.


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