Editorial Note

Special Issue: “Is there a need for ‘Reforms’ in IMF?”

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Guest Editor
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The Second World War was responsible for the creation of two multilateral financial institutions because of the abolition of the gold standard. The war had created two sets of global problems: first, problems of world trade and currency issues; second, how to reconstruct the world economy ravaged by the Second World War. Accordingly, multilateral institutions, namely, the International Monetary Fund (IMF) and International Bank for Reconstruction and Development (the World Bank), were established on July 24, 1944. They started functioning in 1945.

For creating multilateral institutions for solving trade and currency issues, 44 nations had gathered at Bretton Woods in New Hampshire, United States. The primary objective of establishing the IMF was to foster global monetary cooperation among the member countries on the one hand and on the other hand to create a conducive environment to facilitate trade and currency issues.

Since its inception, the IMF has been playing a positive and constructive role in the promotion of world trade and solving balance-of-payments crises, particularly in developing economies.

More than 73 years have elapsed, and the world economy has been witnessing radical changes in terms of contents and role. However, the IMF has not caused any change in its structure, management, and functioning. Therefore, the countries across the world have started raising their voice to bring the considerably required reforms in the 73-year-old Fund.

REQUIRED AREAS OF REFORMS:

Although the IMF has been playing a significant role and contributing considerably in solving trade and currency issues, there has been a persisting opinion that the IMF is constantly dominated by the developed countries. Hence, reforms are the need of the hour. The developing and emerging economies have been demanding reforms in the IMF in the following segments:

1. Reduce domination of developed economies;
2. Modify IMF's existing activities;
3. Expand lending facilities to the least developed economies;
4. Governance.

The emerging and developing countries have identified areas for reforms that are as follows:

(a) Reinforcing the growth momentum among developing and the least developed nations;
(b) Sharing gains more equitably;
(c) Strengthening long-term growth;
(d) Creation of strong and rules-oriented trade and currency framework.

CONTRIBUTION OF MERJ:

Considering the problems and issues of emerging and developing countries, it was thought by the Management and Economics Research Journal (MERJ) to invite academic and policy makers to undertake a soul searching in terms of required reforms in the management and functioning of the IMF. The soul searching has been transformed into reality, and you have a special issue in hand. The academicians and policy makers across the world have penned down their opinions and explored new ways and methods to bring the required reforms in the IMF, which is overdue.

The MERJ Special Issue contains nine papers that have covered different aspects of management, governance, and functioning of the IMF. I am sure the readers would find it an interesting and thought-provoking read in respect of the management and functions of the fund.
I am of the view that MERJ is the first journal worldwide that has provided a special issue on the IMF. I have not come across any such publication as yet that has covered the topic of reforms in respect of managing and running the IMF. Hence, this issue would be an asset for academicians, policy makers, and researchers.

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