IMF – International Monetary Fund

ence at which they were adopted and in Series A of the Official Bulletin for the year of their adoption. Every year ILO publishes an annual list of the ratifications of ILO Conventions of the current year.


Assessment

ILO is unique among the specialized agencies of the UN system. Involving the social partners, the principle of tripartism embodies an institutionalized dialogue among governments, trade unions and employers’ organizations on an international level. However, the roles of employers’ and employees’ organizations are widely divergent among member states. For example, in many states, free trade unions do not exist, so that tripartism, in these cases, is not much more than a sham. Nonetheless, the principle has basically had a positive effect on international regulation and codification efforts in the realm of international labor standards.

ILO can be considered the “social conscience” of the UN system. However, it only has a minor role to play when compared to the much more important (and influential) economic components of the wider system of international institutions, i.e. the Bretton Woods institutions World Bank (→ World Bank, World Bank Group) and International Monetary Fund (→ IMF). Despite that fact, ILO has been pivotal in the development of international human rights standards (→ Human Rights; → Human Rights, Protection of), for example in implementation and control mechanisms. These have originally been developed under the auspices of ILO and have then been adopted by other UN agencies. In appreciation of its merits, ILO was awarded the Nobel Peace Prize in 1969.

Christian Jetzlspenger

Lit.: Alcock, A.: History of the International Labour Organization, New York 1971; Blan-

IMF – International Monetary Fund

1. Origins

In July 1944 the United Nations convened an International Monetary and Financial Conference at Bretton Woods (New Hampshire, USA), in which all 44 participating states agreed on a new order for the world monetary and financial system in the post-war era. The backdrop to the gathering was dominated by still vivid memories of inconvertibility and foreign exchange shortages, hyper-inflation and deflation, and default on external debt of the preceding decades; thus the motivation to reach an agree-
ment was strong. It was hoped to establish a system which could prevent a recurrence of the disastrous competitive exchange rate depreciations and the breakdown in international economic relations these countries had experienced in the inter-war period.

The agreements they signed there provided for the establishment of the international monetary and trading system known as the “Bretton Woods System”. Although the Havana Charter (→ WTO, GATT) was not ratified by the US Congress, leading to the indefinite postponement of the International Trade Organization (ITO), the Conference did prove the birthplace of two major institutions: the International Bank for Reconstruction and Development (IBRD) (→ World Bank, World Bank Group) and the International Monetary Fund (IMF). The IMF was established by the “Articles of Agreement of the International Monetary Fund” (UNTS Vol. 2, No. 20 (a)), which entered into force on 27 December 1945 after ratification by 22 states. It began its operations in 1947.

The IMF has its headquarters in Washington, D.C. in conformity to Article XIII, Section I of the Articles of Agreement, which stipulates that the IMF shall have its seat on the territory of the member with the largest capital stock quota. The largest member is the United States of America with a quota of 17.09 per cent (equivalent to SDR 37 billion) and related voting rights of 16.77 per cent (April 2008). If the 15 countries of the euro area were considered a single entity as some observers call for, it would replace the USA as the largest member.

II. Aims

According to the Articles of Agreement the IMF is dedicated to five main purposes: (a) to promote multilateral monetary co-operation; (b) to facilitate international trade and high levels of employment in member countries; (c) to promote exchange stability, maintain orderly exchange arrangements and avoid competitive exchange depreciation; (d) to correct disequilibrium in balances of payments and thus avoid extreme external surplus or deficit on the part of individual countries; (e) to establish a financial support system for countries to correct maladjustments in their balance of payments (cf. Articles of Agreement, Art. I).

III. Status in the UN System, Membership and Organs

In 1947 the IMF received the status of a specialized agency (→ Specialized Agencies) in the → UN system and, was thus endowed with full juridical personality and entitled to conclude internationally binding agreements. Furthermore, the Fund is endowed with all the rights of an autonomous governmental organization, including the right to establish its own budget, recruit its own personnel and to admit new member countries. Thus membership of the UN (→ Membership and Representation of States) is not a prerequisite of membership of the IMF. A total of 185 countries are members (as of 31 December 2008). In principle any country can become a member of the IMF if it accepts the “Articles of Agreement” as the basis for its monetary and financial policies, and pays the appropriate subscription to the authorized IMF depository. The allocated quota determines the voting power with which the country can participate in the internal decision-making processes of the Fund. Countries with the highest quotas therefore have the greatest voting power and influence on IMF policy.

The three key executive organs of the IMF are the Board of Governors, the Executive Board and the Managing Director. The Board of Governors is the highest executive organ of the IMF and meets once a year during the general meeting of the IMF and World Bank. All IMF member countries are represented on the Board of Governors, with voting power weighted according to quotas. The Board of Governors has exclusive powers to decide on the admission or suspension of members (Art. II, Art. XXVI), determining or changing quotas (Art. III) and amendments to the