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What Kind of a "New" Bretton Woods will Emerge from the Crisis?

John Dillon

As the world undergoes the greatest financial crisis since the 1930s, political leaders of various persuasions have been talking about convening a new Bretton Woods conference to redesign the global financial system. The rhetorical calls for a new Bretton Woods sound appealing. But it is not at all clear whether a new, more just and sustainable order will emerge. Currently minor reforms that will only shore up an unjust economic order seem more likely.

In this briefing paper we shall first look at how the monetary system established at Bretton Woods, New Hampshire in 1944 that had achieved relative stability broke down in the early 1970s and was replaced by deregulated financial markets. Secondly, we shall examine how the November 15, 2008, Group of Twenty (G20) leaders' meeting in Washington fell far short of rhetorical calls for a new Bretton Woods.[1] Third, we shall look at another vision of a new financial system that is being discussed within the United Nations. Finally, we shall describe some of the elements that civil society organizations believe should be included in a new order.

I. Bretton Woods Institutions: Handmaidens to the Crisis

The multiple calls for a new Bretton Woods stem from the fact that the existing Bretton Woods Institutions not only failed to prevent the current crisis but also contributed to it by encouraging the deregulation and liberalization of financial markets.

The original Bretton Woods conference established the International Monetary Fund (IMF) to oversee the financial system and the International Bank for Reconstruction and Development (now known as the World Bank) to assist with post-war reconstruction. Over their 64 years of existence these two institutions have evolved in directions that would not be recognizable by their founders. The IMF no longer has sufficient resources to act as a true lender of last resort. The World Bank has strayed from its mandate of funding genuine social and economic development.

The original Bretton Woods system featured fixed, but adjustable, exchange rates and widespread use of capital movement controls. It was based on a US dollar deemed to be "as good as gold". By the late 1960s, however, the US was running huge budget and current-account deficits due in large part to the high costs of the Vietnam War. European countries and Japan largely financed these deficits. The ensuing monetary growth led to a rise in worldwide inflation and investors became reluctant to hold low-yielding dollar assets. By 1971 these growing imbalances made the continuation of the old regime unsustainable. President Richard Nixon then declared the dollar would no longer be redeemable for gold, effectively devaluing the dollar and thereby defaulting on a portion of the USA's foreign debt.[2]

The new system that evolved after 1971 was much less stable as countries adopted floating exchange rates and abandoned capital controls. Deregulation and liberalization of finance made the system crisis prone. There have been at least 12 major international financial crises and over one hundred minor calamities since the early 1970s. Speculating on international currency markets enriched money traders but left central banks with progressively less ability to set domestic monetary policies. The IMF encouraged the deregulation and liberalization in the belief that this would promote a more efficient allocation of investment capital. But an analysis sponsored by the IMF itself concluded that although these policies have tremendously benefited the private sector, they have also created "fragility, instability and systemic risk."[3]

Speculation in financial assets has overtaken investments in the production of real goods and services. Under the pre-1971 Bretton Woods system financial assets - that is the sum of bank deposits, private investments and government debt – were approximately equal to the value of world output. That is to say finance functioned as a means of facilitating the production and exchange of real goods and services. But during the new era of speculative capitalism global financial assets grew from 109% of world Gross Domestic Product in 1980 to 316% of global GDP in 2005.[4] They grew even larger thereafter until markets crashed in 2008.

Speculators make huge profits by trading financial assets instead of investing in the actual production of goods and services. As John Maynard Keynes famously remarked concerning the perils of a casino economy: "Speculators may do no harm as bubbles on a steady stream of enterprise. But the position is serious when enterprise becomes the bubble on a whirlpool of speculation." Nowhere is the domination of speculation over enterprise clearer than in the unregulated derivatives markets.

Derivatives are financial contracts whose value is based on, that is derived from, the value of other contracts for tradable items such as commodities or currencies. In the current crisis the seizing up of the market for one particular type of derivative, Credit Default Swaps, played a crucial role. Through a Credit Default Swap (CDS) an investor takes on the risk of a loan from a lender for a fee. If the loan goes into default the investor has to pay the lender for the value of the loan and gets the devalued assets. For the lender the payments are like an insurance policy. There can be more than one CDS contract on a single loan among parties who have no direct interest in the loan itself. The market for Credit Default Swaps ballooned to an extraordinary US$62 trillion in December of 2007 "while the maximum amount of debt that might conceivably be insured through these derivatives was US$5 trillion."[5] When the US market for subprime mortgages collapsed the CDS market was thrown into turmoil as holders of CDSs faced huge paper losses. For example, insurance giant AIG went under because it could not cover its exposure to CDSs.

By the middle of 2007 the nominal value of outstanding derivatives contracts amounted to an incredible US$516 trillion or almost ten times world GDP. But the "actual value … that is what the derivatives would be worth if they were sold off [immediately] rather than their theoretical value when trades come due in the future – was estimated in 2007 at US$11 trillion."[6] As the 2008 market meltdown demonstrated, exotic derivatives proved to be what Warren Buffett aptly called "weapons of mass financial destruction."[7]

The Bretton Woods Institutions' Crisis of Legitimacy

Both the Fund and the Bank are undergoing severe crises of legitimacy. Their reputations are at an all time low due to the failure of the Structural Adjustment Programs (SAPs) they have imposed on debtor countries to meet even their own goals. The neoliberal economic policies imposed between 1980 and 2005 resulted in Southern countries experiencing lower rates of economic growth and declining social development indicators relative to what was achieved in the two prior decades from 1960 to 1980.[8] Robin Broad and John Cavanagh succinctly summarize their failure: "Structural adjustment in practice has damaged environments, worsened structural inequalities, failed even in the very narrow goal of pulling economies forward, and bypassed popular participation."[9]

Many countries have repaid loans form the IMF in order to escape from its dictates. In 2006 Brazil and Argentina were the first to pay off their loans. They were soon followed by Bolivia, Serbia, Indonesia, Uruguay and the Philippines all of whom either immediately repaid their debts or announced their intention to escape from dependence on the Fund. The trend continued into 2007 when Russia, Thailand and Ecuador decided to pay off what they owed and Angola ended talks on new loans.

In April of 2007 President Hugo Chavez announced that Venezuela would stop doing business with both the IMF and the World Bank. Then Bolivia, Nicaragua and Venezuela agreed to withdraw from the International Centre for the Settlement of Investment Disputes, a World Bank administered body used by transnational corporations to seek redress for alleged infringements on investors' rights such as the reclaiming of control over their water supplies by the citizens of Cochabamba.

The World Bank's repute has also been damaged by its failure to heed the directives of three major reform initiatives: the Structural Adjustment Participatory Review Initiative (SAPRI); the World Commission on Dams (WCD); and the Extractive Industries Review (EIR). [10] No important change in Bank policies resulted from any of these initiatives even though the World Bank itself commissioned them. For example, the EIR recommended that the Bank immediately cease funding for coal projects and phase out loans for oil and gas extraction by 2008. Instead, Bank lending for fossil fuels underwent almost a three-fold increase (282%) between 2005 and 2008 to over US$4 billion.[11] Coal lending alone increased 256% in the last year. The Bank lent US$450 million for a coal-fired electricity plant in India that will likely become one of the world's 50 largest greenhouse gas emitters.

II. G20 Summit Reinforced a Failed System

The November 15, 2008 G20 Summit, convened by President George W. Bush at the urging of French President Nicolas Sarkozy, did not make any substantial proposals for a new financial architecture. Initially, Sarkozy had proposed a meeting at the United Nations but Bush refused, preferring to host a smaller gathering in Washington. A White House spokeswoman made President Bush's intentions clear: "The summit will provide an important opportunity for leaders to strengthen the underpinnings of capitalism by discussing how they can enhance their commitment to open, competitive economies, as well as trade and investment liberalisation." Thus Bush was determined to promote the same policies of liberalized markets and minimal government regulation that led to the crisis in the first place.[12]

Bush's invitation to leaders from several "emerging countries" to the Washington Summit recognizes a geopolitical reality. The G7 industrialized countries – Canada, France, Germany, Italy, Japan, the UK and the USA. – need the cooperation of large developing countries, deemed to be "systemically significant", that now manage significant foreign exchange reserves.

In addition to the G7, the G20 includes Argentina, Australia, Brazil, China, India, Indonesia, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey and the European Union. G20 Finance Ministers have met regularly G20 since 1999, but this was the first time that G20 heads of government ever assembled. The heads of the IMF, the World Bank and the Secretary General of the UN also attended.

While the final communiqué issued by the G20 Summit says "the Bretton Woods Institutions must be comprehensively reformed," it discloses little about what that reform might involve. It refers vaguely to giving a greater voice to emerging and developing countries. What the communiqué fails to say is that the price developing countries would have to pay to gain a greater say in IMF affairs would involve handing over substantial portions of their hard-earned foreign exchange reserves to the Fund's control. Given the track record of the IMF in devastating the economies of developing countries over the last 25 years, the G20's promise to strengthen the role of the IMF in giving "macro-financial policy advice"[13] is cause for alarm.

Efforts to Rehabilitate the IMF by Taking Over Developing Countries' Reserves

Prior to the G20 Summit European governments prepared a list of reforms in the areas of transparency, regulation standards, cross-border supervision of financial institutions, crisis management, and the creation of an early warning system while agreeing that the IMF should continue to play a central role.

Dominique Strauss-Kahn, the IMF managing director, recognized the Washington summit as an opportunity to rescue the Fund from its crisis of legitimacy. Accordingly, Strauss-Kahn prepared a “global regulation strategy” for the Washington meeting.[14] The key elements include:

1. A new loan facility within the IMF to relieve the short-term liquidity problems;
2. Increased resources for the Fund;
3. A role for the IMF in drafting new financial regulations.

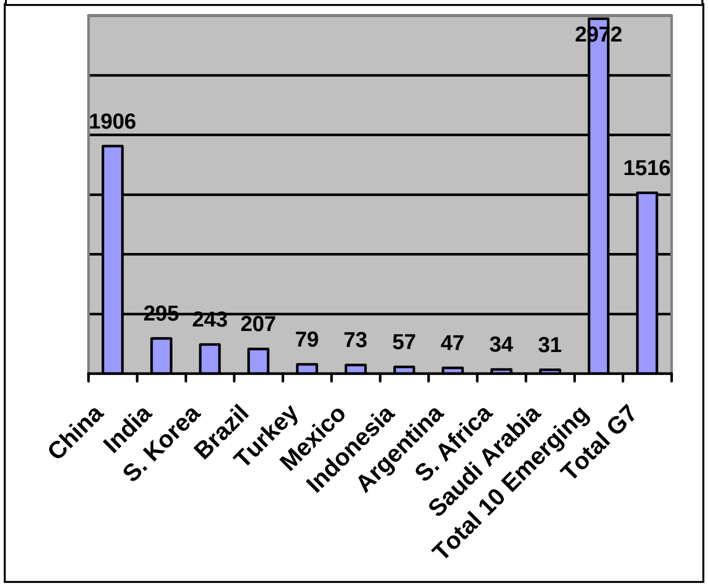
Mr. Strauss-Kahn explicitly welcomed a plan proposed by UK Prime Minister Gordon Brown for persuading developing countries to lend substantial amounts of their foreign exchange reserves to the Fund. Brown’s initiative echoes proposals first advocated by prominent private financiers who also advise the softening, but not the elimination, of IMF conditions in order to win support from developing countries.[15] [16] Brown travelled to Persian Gulf oil-exporting states and called China’s Premier, Wen Jiabao, urging them to provide substantial loans to a new IMF bailout facility for countries buffeted by the global crisis.

As Chart One shows, the ten “emerging” countries invited to the G20 summit have foreign exchange reserves worth US$3 trillion, twice as much as all the G7 countries combined.

Brown’s proposal led to talk of a type of “grand bargain” whereby “in return for a greater voice in an overhauled financial architecture, large developing countries will be asked to make a greater contribution” to the IMF.[17] [18] France’s Finance Minister, Christine Legarde, bluntly signalled that any new voting power for emerging nations must involve a willingness on their part to contribute more funds to the IMF. Prior to a São Paulo, Brazil meeting of the G20 Finance Ministers she said: “There is a saying in English, ‘He who pays the piper calls the tune.’ More influence without more funds? That doesn’t exist.”[19]

Madame Legarde reminded the G20 Finance Ministers that “there has already been a reform of the IMF’s management,” referring to changes in IMF voting rights that were approved in March of 2008. In fact these changes were small and did little

Chart One
G20 Foreign Exchange Reserves
Billions of US Dollar equivalent (Sept 2008)



or nothing to change the actual balance of decision making power within the IMF. As a result China’s share of votes was raised from 2.9% prior to the reform to 3.7% as of December 2008. Russia’s voting share went up from 2.6% to 2.7% and six oil-exporting countries (Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Brunei and Bahrain) saw their voting power decline from 4.5% to 4.3%. Meanwhile, the USA allowed its share to fall from 17% to 16.8% but crucially above the 15% threshold giving it veto power over major policy decisions.[20] [21]

The G20 Washington communiqué supports enhanced roles for the World Bank and the IMF saying "the Bretton Woods institutions must be comprehensively reformed so that they can more adequately reflect changing economic weights in the world economy" and the need for "emerging and developing economies [to] have greater voice and representation." But the communiqué only hints at new money for the Fund.

At the November G20 Summit Japan pledged to increase its lending to the IMF by up to US$100 billion, but no other country made any similar offer.[22]

Not everyone in elite circles agrees with enhancing the IMF’s resources. For example, Kenneth Rogoff, a former chief economist at the IMF warns that it would be a mistake to pour a trillion dollars or more into the Fund. He says that the IMF “does not have an adequate framework for handling the massive defaults that could easily attend a huge surge in lending, much less the political will to distinguish between countries having genuine short-term liquidity problems and countries actually facing insolvency problems."[23] Rogoff warns that companies from emerging countries may need all the reserves in their central banks and more to cover payments coming due over the next 12 months if credit markets do not normalize.

Brazil and Argentina Give IMF New Legitimacy

Mr. Strauss-Khan told the *Wall Street Journal*: "The legitimacy of the IMF relies upon the capacity to have everyone on board, including those countries with which there have been problems in the past."

When the G20 Finance Ministers met in São Paulo prior to the Washington summit, they produced a communiqué signalling the ambition of emerging countries to be included in any reform talks. The São Paulo communiqué referred to the need to reform the Bretton Woods Institutions "in order to **increase their legitimacy** and effectiveness." Hence Brazil and Argentina that just two years ago were the first to pay off their loans from the IMF and proclaim their wish not to have any future dealings with the Fund, went on record with calls to enhance its legitimacy.

The São Paulo G20 Finance Ministers' communiqué explicitly endorses expanded responsibilities for the IMF including a new short-term lending facility, a role in warning about impending crises and a strengthened capacity for surveillance and dispensing policy advice.

While the most recent loans the IMF has offered to Iceland, the Ukraine and Pakistan may have fewer conditions attached, the Fund is still demanding the same kind of fiscal austerity and restrictive monetary policies as in the past. For example, it told Pakistan to cut subsidies on fuel and food for the poor and to put an end to government borrowing from its central bank. Iceland has been ordered to raise its interest rates to 18% from 12%.

These austerity demands stand in stark contrast to what the IMF has advised the major industrialized countries to do during the current financial crisis – use fiscal stimulus and cut interest rates to avoid recession and to protect the private financial sector.

III. UN Debate Posits a More Inclusive Vision

Global civil society groups strongly protested the limited participation and the secretive nature of the Washington G20 Summit. A coalition of more than 890 organizations from 115 countries issued a statement supporting an alternative: a UN-convened conference, **but only if** it involves all the governments of the world; meaningfully engages civil society; sets a clear timeline for consultations with groups most affected by the crisis; is comprehensive in scope; and is transparent, with proposals and draft outcome documents made publicly available and discussed well in advance of the meeting.[24]

After President Bush vetoed President Sakozy's proposal for a high level meeting at the United Nations, the President of the UN General Assembly, Miguel d'Escoto, convened a forum on October 30, 2008 at which he called for a more inclusive and democratic process involving all 192 member states. He asserted that "the stakes are too high for half-measures and quick fixes put together behind closed doors. Long-term solutions must include the G-192."[25]

At the UN panel, François Houtart, a Belgian priest and professor emeritus from the Catholic University of Louvain, spoke prophetically about our moral duty to adopt the point of view of the victims of both the financial and the climate crises – the nearly one billion people who live in poverty and the 150 to 200 million refugees likely to be forced to leave their homes due to climate change. He noted how the financial, food, energy, water, climate and social crises of our day all have common roots in neoliberalism and deregulation. Houtart linked wasteful energy consumption by the rich to both climate change and the marginalization of the poor.[26]

Houtart called for the transformation of humankind's relationship with nature based on the renewable and rational use of natural resources instead of their exploitation for profit. He called for the recovery of state sovereignty over natural resources, support for peasant agriculture, a deepening of commitments to combat climate change, an end to tax havens and the cancellation of odious debts. He encouraged Southern countries to form regional alliances based on solidarity instead of competitiveness in order to create their own regional currencies.

Appearing with Houtart at the same General Assembly forum was former World Bank chief economist Joseph Stiglitz who has been appointed by d'Escoto to head a High Level Taskforce of Experts to review the international financial system and make recommendations for a more stable economic order. At the forum Stiglitz declared "we are now at another Bretton Woods moment."[27] He said the economic crisis provides an opportunity to reassess not only international financial institutions but also prevalent economic doctrines. He noted how instability in exchange rates has been very costly for developing countries and said the creation of a new global reserve system should be given immediate consideration.

At the same forum Pedro Páez Pérez, Ecuador's Minister of Economic Policy Coordination, presented a visionary proposal for economic cooperation among South American countries involving the pooling of foreign exchange reserves.[28] Although some significant differences remain unresolved, Argentina, Brazil, Bolivia, Ecuador, Paraguay, Uruguay and Venezuela have agreed to set up their own Bank of the South with an authorized capital of US$20 billion. However, it remains to be seen whether the bank will operate like traditional multilateral institutions wherein the largest partners dominate decision making or whether lending decisions be made on the basis of one country one vote. There are also questions concerning whether the bank will give preference to large infrastructure projects or small-scale agriculture and social sectors and whether it will fund large corporations or small and medium enterprises, cooperatives and public enterprises.

Despite these unresolved questions among South American countries, Páez laid out a visionary plan for moving forward with not only the Bank of the South but also a stabilization fund and eventually a South American monetary unit. The next step in regional cooperation would involve joint consultations on setting credible exchange rates through a Regional Monetary Agreement. He envisioned a payment settlement system based on a basket of South American currencies that would allow countries to use their own currencies instead of dollars for intra-regional trade. Such cooperation could lead to a regional central bank and a Common Reserves Fund from which South American countries could borrow instead of having to seek funds from the Bretton Woods Institutions. South American countries are also discussing eventually creating a common currency.

While this vision of South-South cooperation would be implemented first among South American countries, Páez suggests that the same kind of cooperation could occur in other regions eventually opening the way for a new global financial architecture.

Between November 29 and December 2, 2008 another United Nations meeting took place in Doha, Qatar – the UN Follow-up Conference on Financing for Development. At that conference the Bush administration, backed up by Canada, again played the spoiler by trying to marginalize the UN from any role in macroeconomic debate and decision making. Nevertheless the conference succeeded in passing a watered down resolution stating: "The United Nations will hold a conference at the highest level on the world financial and economic crisis and its impact on development. The conference will be organized by the President of the General Assembly and the modalities will be arranged by March, 2009 at the latest."

Will this conference lead to a transformation of the Bretton Woods Institutions beyond the minor reforms talked about among the G20? Could it lead to a new agreement that addresses the injustices of the current system? Much will depend on the ability of global civil society working in conjunction with progressive governments to mobilize a movement in favour of a genuinely more just and sustainable economic order.[29]

IV. Elements of A New International Financial System

Clearly the current unjust financial system needs a total overhaul and not just some minor reforms. Addressing the challenges posed by the food, social, climate and energy crises will not be possible as long as efforts to reorient investment within nations can be thwarted by capital flight.

A new financial system must close down tax havens that allow corporations and wealthy individuals to avoid paying billions of dollars in taxes. Studies show that Southern countries annually lose between US$500 billion and US$1 trillion due to capital flight, tax evasion, and other illicit practices.[30] [31]

A supportive international financial architecture is needed to complement national programs to reassert democratic control over investment. In 1941, Keynes warned that "Loose funds may sweep around the world, disorganizing steady business. Nothing is more certain then that the movement of capital must be regulated."[32] Therefore, Keynes insisted that finance must be predominantly national so governments could control their own fiscal and monetary policies without external pressures or fear of capital flight.

Initially, the Bretton Woods system explicitly allowed for national controls over capital movements. In 1975, 17 industrialized countries and 85 developing countries had some kind of quantitative restrictions on capital movements. As late as 1990, 11 industrial countries and 109 developing nations still had them.[33] But gradually, with the encouragement of the IMF, country after country abandoned these restrictions as they liberalized their financial markets to attract foreign investments.

Free trade agreements have reinforced the liberalization of financial markets. For example, the North American Free Trade Agreement (NAFTA) forbids many kinds of capital and foreign exchange controls. The World Trade Organization (WTO) encourages the deregulation of financial services through its General Agreement on Trade in Services. The measures in trade agreements that constrain the regulation of financial services must also be rolled back.

With capital controls in place developing countries would not have to keep such large amounts of foreign exchange reserves to guard against speculative attacks on their currencies and could instead invest in sustainable human development.

Another important measure should be a Currency Transaction Tax (CTT) to deter currency speculation by putting a small levy on foreign exchange transactions. The levy would be small enough to not have a long-term impact on the market, but significant enough to make casino capitalists think before they gamble. Rodney Schmidt of the North-South Institute has shown that a CTT would be easy to implement and difficult to avoid if the tax were collected at the point where currency trades are settled. Schmidt has calculated that a 0.005% levy on foreign exchange transactions would yield US$33.4 billion per year in revenues.[34] The money raised should be allotted to an agency such as the United Nations Development Program for investment in social programs and poverty eradication.

Another necessary element is a sovereign debt cancellation mechanism for assessing and writing off illegitimate debts. Existing bodies for addressing debt disputes, such as the Paris Club of bilateral creditors, are dominated by lenders who are both interested parties and judges. A new debt arbitration mechanism must be created where all parties receive equal treatment and judgements are based on an impartial evaluation of the evidence.

Given the imminent threat from climate change and the historical legacy of ecological debt owed to the South by Northern peoples who overconsume the earth's finite stores of fossil fuels, a new system should also include a common carbon tax on fossil fuels burned in Northern countries. The revenue from such a tax should be split between reparations to Southern peoples for ecological debt and financing for conservation and renewable energy initiatives administered by a UN agency rather than the World Bank.

A new financial architecture must also put an end to the activities of vulture funds. These private entities buy up foreign debt at low prices from creditors who don't expect to collect full payment. Vulture funds then take debtor governments to court demanding payments many times larger than what the vultures actually spent to acquire the debt.

While this is indeed an ambitious agenda, unless a new Bretton Woods system includes these measures global justice and ecological sustainability will remain unattainable.

John Dillon is the Debt and Finance Program Coordinator for KAIROS. He may be reached by email at jdillon@kairoscanada.org KAIROS: Canadian Ecumenical Justice Initiatives unites eleven churches and religious institutions in work for social justice in Canada and around the globe.

Notes

[1] In the run up to the G20 summit French President Nicolas Sarkozy, British Prime Minister Gordon Brown and German President Horst Kohler all talked about the need for a new Bretton Woods agreement.
[2] This analysis draws on Chapter 1 of the United Nations report World Economic Situation and Prospects 2009 pre-released during the Doha UN Conference on Financing for Development. The report is available at http://www.un.org/esa/policy/wess/wesp.html
[3] Garry J. Schinasi *Safeguarding Financial Stability* Washington: International Monetary Fund. 2006:17.
[4] Data from Mckinsey Global Institute http://www.mckinsey.com/mgi/
[5] James Crotty. Structural Causes of the Global Financial Crisis: A Critical Assessment of the 'New Financial Architecture'. Amherst: University of Massachusetts. 28 August 2008. Page 35.
[6] Nicholas Hildyard. "A (Crumbling) Wall of Money: Financial Bricolage, Derivatives and Power. London: The Corner House. 2008. Page 15. www.thecornerhouse.org.uk
[7] Sinclair Stewart and Paul Waldie. "How it All began" The Globe and mail. 20 December 2008 B1-B5.
[8] Mark Weisbrot, Dean Baker and David Rosnick. The Scorecard on Development: 25 Years of Diminished Progress. Washington: Center for Economic and Policy Research. 2005.
[9] Robin Broad and John Cavanagh. Development Redefined: How the Market Met Its Match. Boulder: Paradigm Publishers. 2009. Page33.
[10] See At 60 IMF and World Bank Should Retire. *Global Economic Justice Report*. Volume 3 Number 3. Toronto: KAIROS October 2004.
[11] Halifax Initiative. Issue Brief: The World Bank, Climate Change and Energy. Ottawa: The Halifax Initiative. October. 2008. www.halifaxinitiative.org/index.php/Factsheets/1116
[12] See Joseph Stiglitz. "The Economic Crisis: Capitalist Fools". Vanity Fair. January 2009 and James Crotty. Structural Causes of the Global Financial Crisis: A Critical Assessment of the 'New Financial Architecture'. Amherst: University of Massachusetts. 28 August 2008.
[13] Declaration of the Summit on Financial Markets and the World Economy. Washington: November 15, 2008. www.whitehouse.gov/news/releases/2008/11/20081115-1.html
[14] Dominique Strauss-Khan: "Je proposerai au G20 un plan de nouvelle gouvernance mondiale. Le Monde. Paris 31.10.2008. An English translation was subsequently posted to the IMF web site at http://www.imf.org/external/np/vc/2008/103008.htm
[15] see for example Michael Bordo and Harold James. The Fund must be a global asset manager. *Financial Times*. 20 October 2008. William Rhodes. The Fund must act to protect emerging markets. *Financial Times*. 23 October 2008. George Soros. America must lead a rescue of emerging economies. *Financial Times*. 28 October 2008.
[16] Jean Eaglesham and Ben Hall. Brown calls for worldwide bail-out fund. *Financial Times* 29 October 2008.
[17] Katrin Bennhold. British Leader Calls for Larger I.M.F. Bailout Fund. *New York Times* 29 October 2008.
[18] At a conference in Abu Dubai, Brown said "I very much accept the argument that countries that contribute in this way should have a greater say in the IMF." Cited in Sonia Verma. Gulf states weigh IMF request against domestic needs. The Globe and Mail 4 November 2008 B15.
[19] Cited in Jonathan Wheatly. Brazil pushes emerging nation's role. *Financial Times*. 8 November 2008.
[20] IMF Members' Quotas and Voting Power as of December 01, 2008. http://www.imf.org/external/np/sec/memdir/members.htm
[21] Canada's voting share remained constant at 2.9% while Germany, France and the U.K. saw their collective voting power drop from 15.8% to 15.6%. Japan saw its share fall from 6.1% to 6.0%. Low-income countries achieved very little new influence. Forty-seven sub-Saharan African countries had their voting shares increase from 4.9% to 5.2%. However, Africa did gain one additional seat on the executive board of the World Bank.
[22] Mark Landler. World leaders Vow Joint Push to Aid Economy. *The New York Times*. 16 November 2008.
[23] Kenneth Rogoff. As tempting as it may be, super-sizing the IMF is wrong. *The Globe and Mail*. 4 November 2008. A19.
[24] Statement on the proposed "Global Summit" to reform the international financial system - October 29, 2008, at www.halifaxinitiative.org/updir/StatementonGlobalSummit-Final.pdf
[25] United Nations Must Intervene Following Failure of United States Government, Bretton Woods Institutions to Address Financial Crisis, says Nobel Laureate. New York: UN General Assembly document 10773, 30 October 2008.
[26] The French text Professor Houtart's remarks may be found at www.un.org/ga/president/63/interactive/gfc.shtml
[27] United Nations Must Intervene Following Failure of United States Government, Bretton Woods Institutions to Address Financial Crisis, says Nobel Laureate. New York: UN General Assembly document 10773, 30 October 2008. The text of Stiglitz remarks may be found at www.un.org/ga/president/63/interactive/gfc.shtml
[28] For the text of The Ecuadorian Proposal for a Crisis Response Agenda from the South presented to the United Nations General Assembly on October 30 by Minister Paz visit www.un.org/ga/president/63/interactive/gfc.shtml
[29] See in addition the statement for the 2009 World Social Forum in Belem: http://www.choike.org/campaigns/pdf/gcrisisFSM_2009ENG.pdf
[30] ActionAid. "Hole in the pocket: Why unpaid taxes are the missing link in development finance." Rosebank UK: Action Aid. November 2008. Page 6.
[31] Dev Ker and Dean Cartwright-Smith. Illicit Financial Flows from Developing Countries: 2002-2006. Washington: Global Financial Integrity. www.gfip.org
[32] Turning the Tide p.88.
[33] Turning the Tide p.111.
[34] See The Currency Transaction Tax: A bold idea for financing development. Ottawa: The North-South Institute. October. 2008.