



IMF Reform

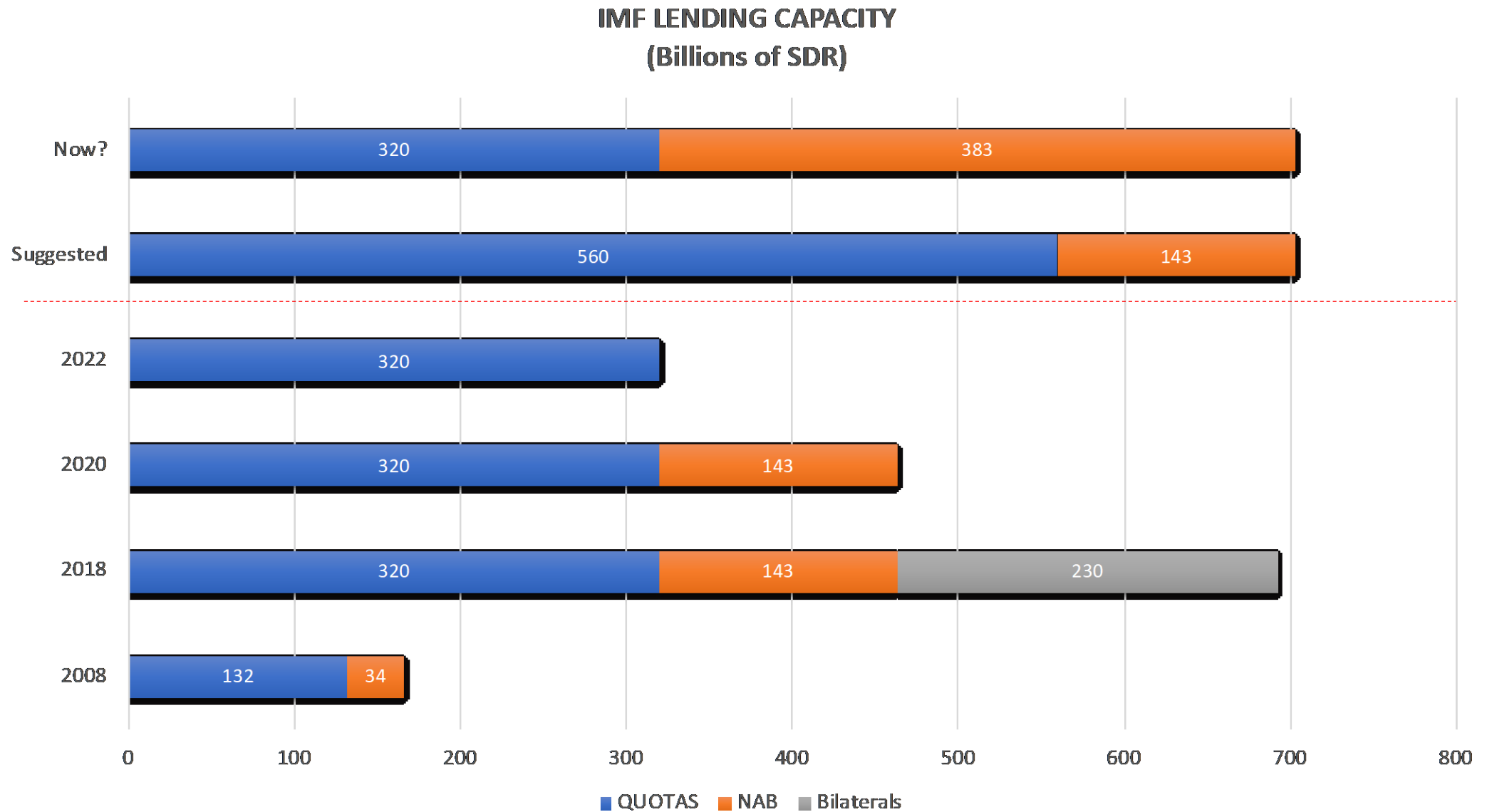
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How can reform be achieved?

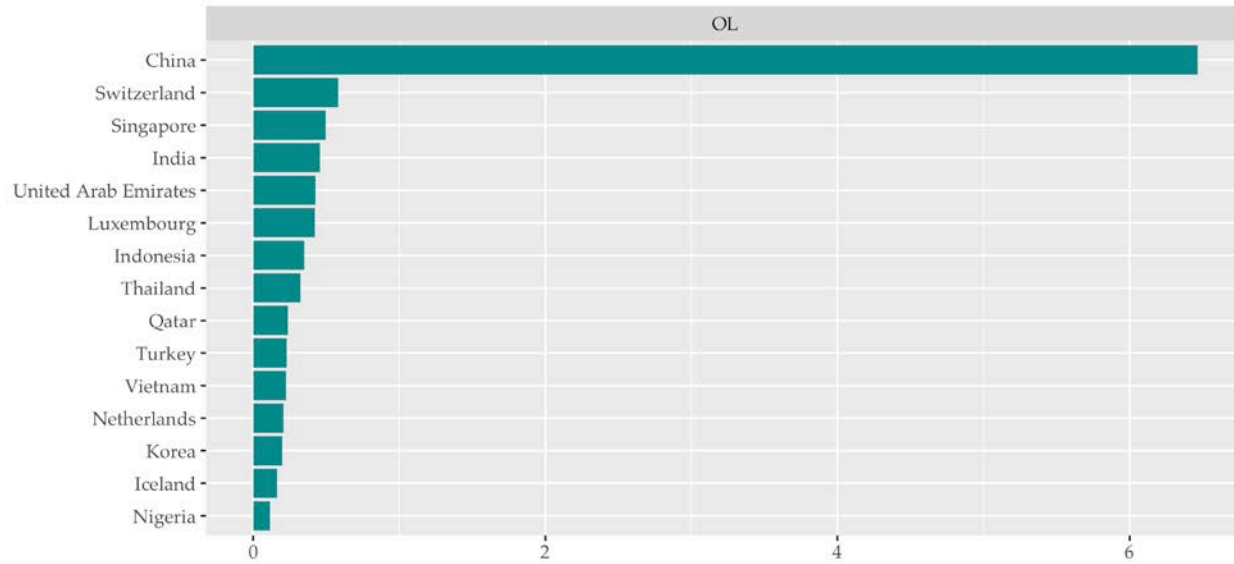
- Quota reviews should offer an opportunity for reform
- They deal with 4 issues
- In the current review space for a quota increase seems to be closed
- What does the data suggest?

1. Adequacy of resources

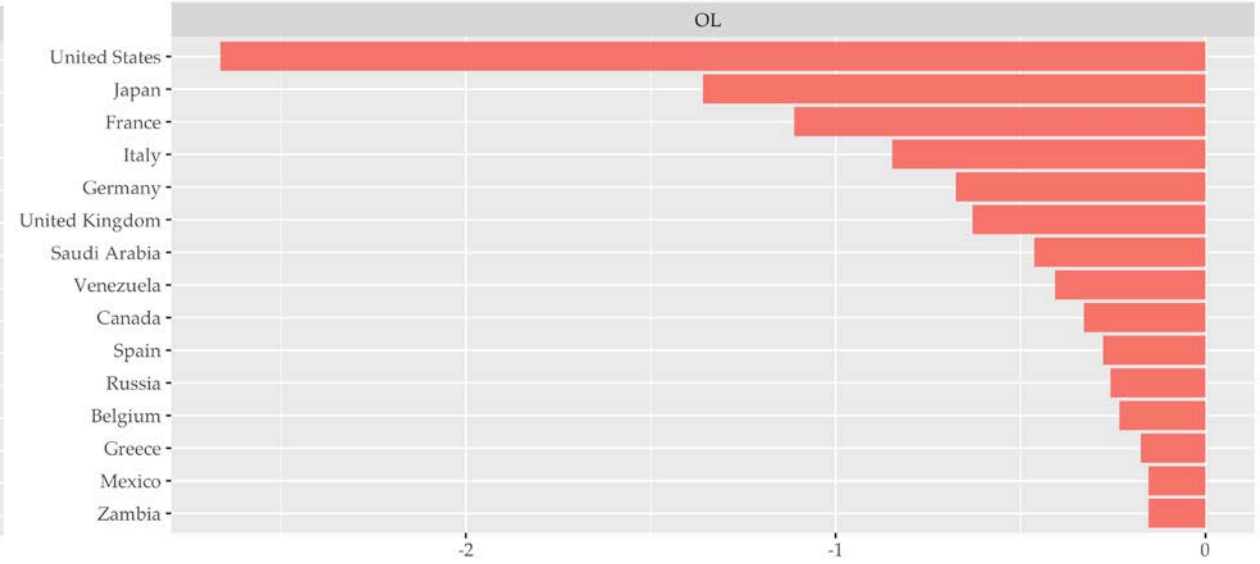


Source: IMF, own calculations.

2. Realignment



(a) Winners



(b) losers

*Note scale differences

- Addressing misalignment requires reallocating roughly 12pp
- And dealing with country-specific issues
- Any reallocation based on NAB worsens misalignment

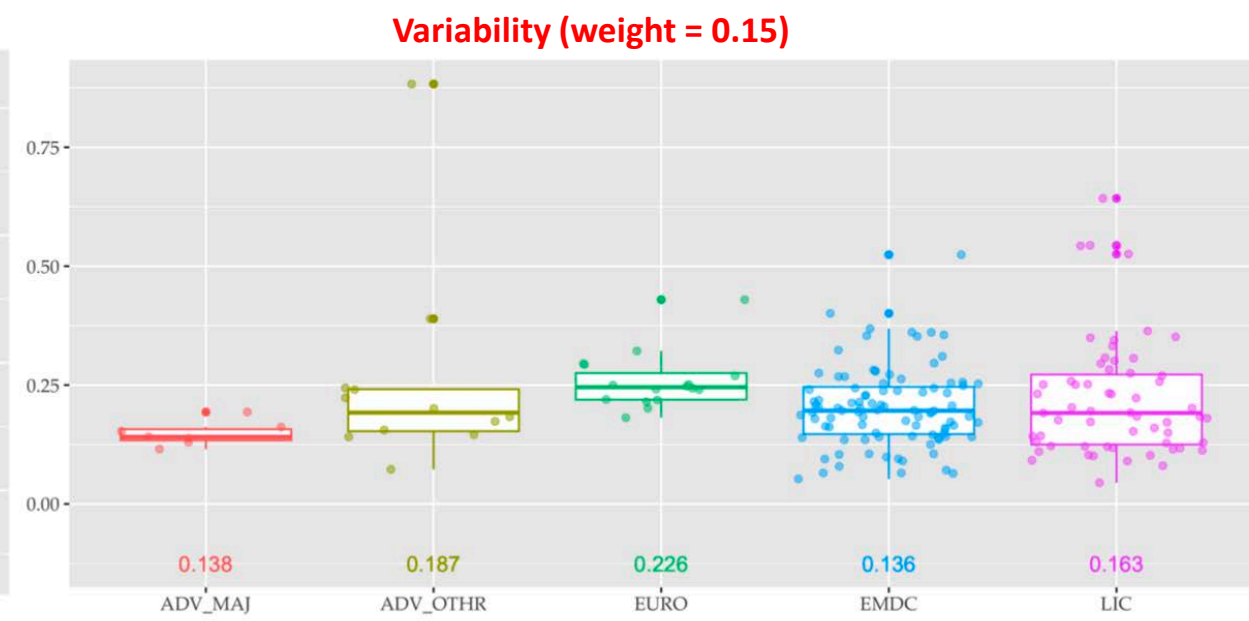
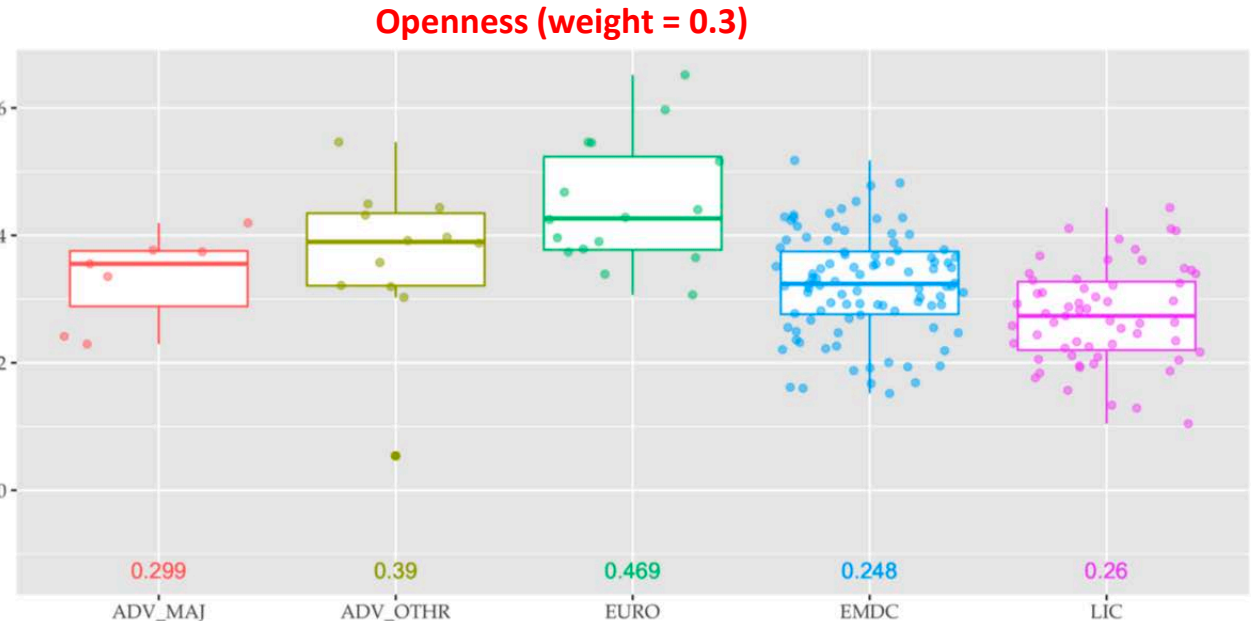
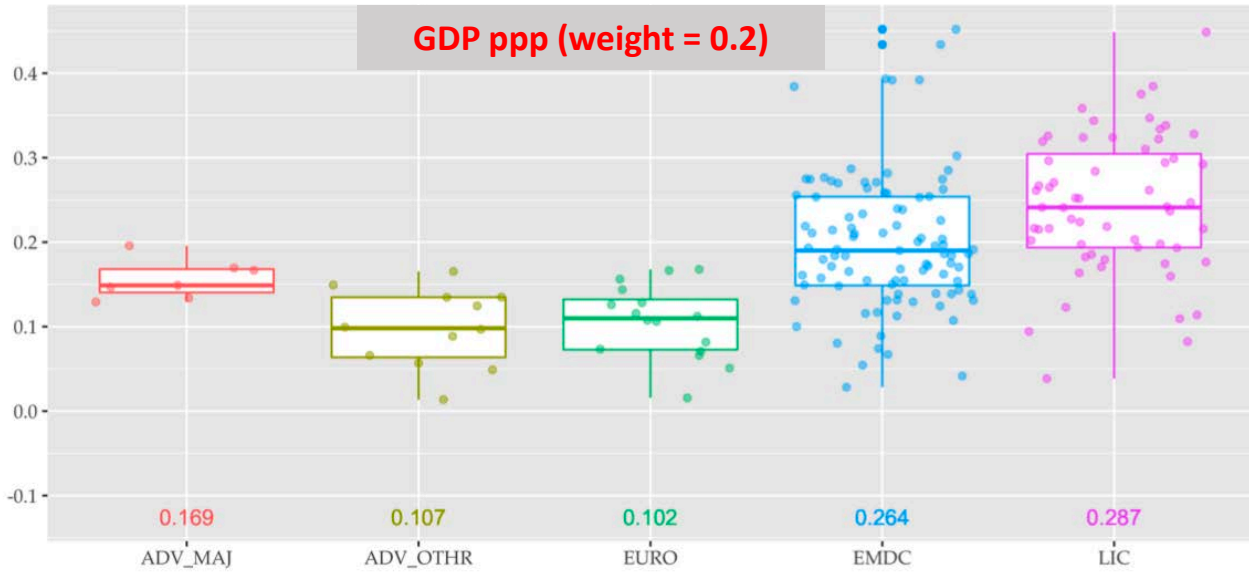
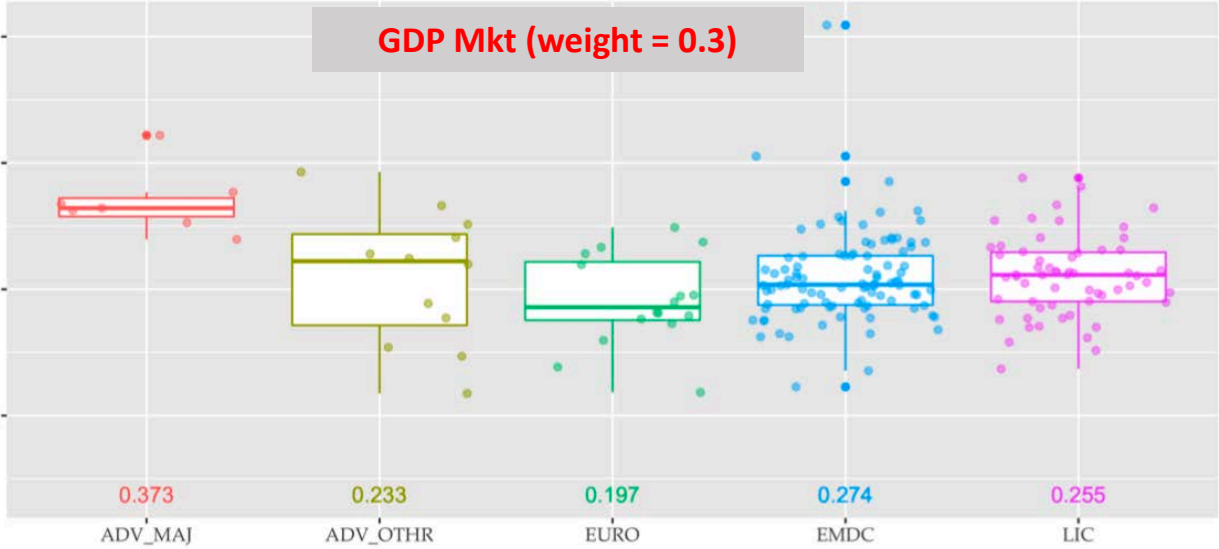
3. Protection of the poorest members

- Current distribution of votes has a Gini of 0.806
- Addressing misalignment worsens the distribution
- Any allocation based on NAB makes it even more concentrated

4. Other reforms

- The system is designed to prevent the type of reforms proposed
- Could there be a consensus scenario?
- Can others persuade the largest member?

Moving forward, where are the interests of the G-24?



Source: IMF, own calculations.