



Fragmentation in the International Financial System: Can the Global Economy become one again?

Multilateralism on the Wane: Financial Resources and the IMF

Conference: Central Bank of the Republic of Turkey and Reinventing Bretton Woods Committee
Lykia Lodge Hotel, Cappadocia, Turkey
14-15 July 2012

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Multilateralism on the wane

United States: International currency and domestic accountability (collapse of Bretton Woods)

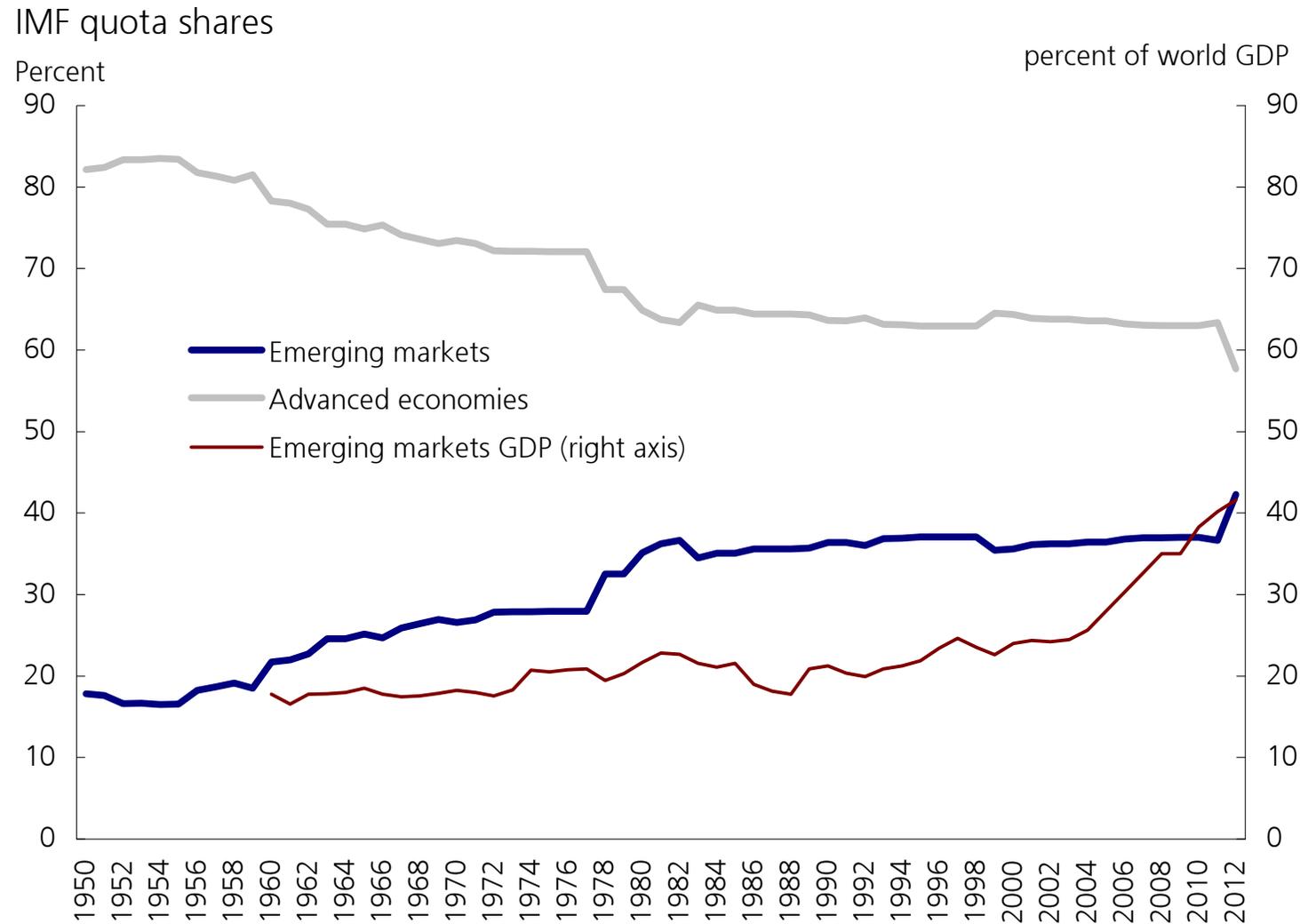
Eurozone: Crisis resolution and international monetary system

Exceptionalism: Troika, Germany and France in 2002-03 (SGP) and Spain in 2012 (ESM)

IMF: Resource augmentation, Eurozone first line of defence and U.S. support

Fragmentation of crisis resolution resources: FLAR, AMRO, EFSF/ESM

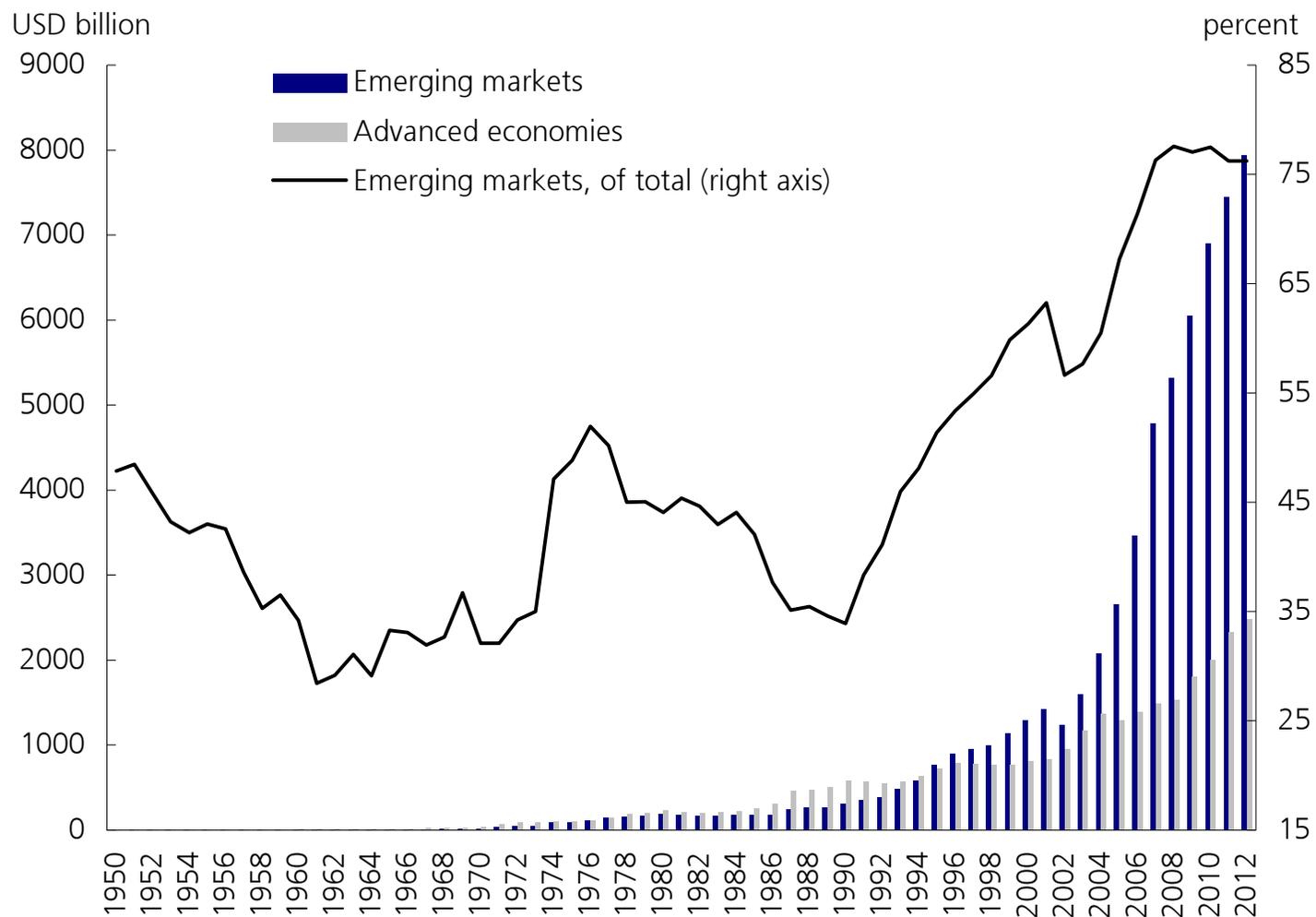
Multilateralism, IMF quotas and legitimacy



Source: IMF; World Bank.

International reserves and net international liquidity

International reserves minus gold



Source: IMF.

Multilateralism and asymmetry of monetary power

Multilateralism rests on reciprocity of financial resources

The international financial architecture is based on the fundamental asymmetry between soft and hard currencies

Emerging markets currencies need to play a greater role in the provision of international liquidity to strengthen incentives for multilateralism

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