



The International Monetary Fund

An International Career

- **The IMF's Role in the International Monetary and Financial System**

- **Employment Opportunities**

The IMF's beginnings

- Founded in 1944 in Bretton Woods, New Hampshire, along with the World Bank.
- Intended to be a pillar of the international economic system after World War II.
- Created to help the world avoid another Great Depression like the one in the 1930s.
- Started with 44 members in 1945. it currently has 187. The only international body that embraces more member countries is the United Nations, with 192 (Cuba, North Korea, Andorra, Monaco, Liechtenstein, and Nauru, are not members of the IMF).
- First loan, to France, was made in 1947.

The Bretton Woods Conference, 1944





John Maynard Keynes and Harry Dexter White



The IMF's Mandate

The IMF's mandate provides a crucial set of guidelines on what to do:

- Promote international cooperation by providing a forum for consultation and collaboration.
- Facilitate the expansion of international trade.
- Promote exchange rate stability.
- Assist in the establishment of a multilateral payment system without exchange restrictions.
- Provide financial assistance to members that have balance of payments difficulties.

The IMF, World Bank, and WTO



- IMF and World Bank complement each other's work.
- IMF mainly focuses on short-term macroeconomic problems, providing support to strengthen the balance of payments of members in need.
- The World Bank is concerned with long-term development and poverty reduction issues. It lends to finance infrastructure, environmental, historical preservation projects, the reform of particular sectors, and broader structural reforms.
- WTO: set up to promote world trade liberalization.

Who is in charge?

With the Board of Governors and the IMFC, the IMF Is Accountable to Governments

The Board of Governors

One governor from each member country (meets twice a year)

International Monetary and Financial Committee (IMFC)

24 governors, advises the Board of Governors (meets twice a year).

The Executive Board

24 Executive Directors conduct day-to-day business of IMF (meets several times each week)

The Role of Quotas

The quota determines subscriptions, voting power and access to financing.



IMF Management

**Christine Lagarde, David Lipton,
Nemat Shafik , Naoyuki Shinohara, Min Zhu**



The MD is head of IMF staff and Chairman of the Executive Board – assisted by four DMDs



Examples of Voting Power

United States	16.74%	Nigeria	0.80%
Japan	6.01%	Norway	0.76%
Germany	5.87%	Malaysia	0.68%
United Kingdom	4.85%	Turkey	0.52%
France	4.85%	Pakistan	0.48%
China	3.65%	New Zealand	0.41%
Saudi Arabia	3.16%	Philippines	0.41%
Canada	2.88%	Singapore	0.40%
Russian Federation	2.69%	Serbia	0.22%
Netherlands	2.34%	Sri Lanka	0.20%
India	1.88%	Slovakia	0.17%
Australia	1.47%	Guatemala	0.11%
Mexico	1.43%	Iceland	0.06%
Korea	1.33%	Seychelles	0.02%
Indonesia	0.95%	Bhutan	0.01%
Austria	0.86%	Palau	0.01%

The IMF's Role in the International Monetary and Financial System

From Bretton Woods to 2010: confidence in international cooperation, and the international monetary and financial system

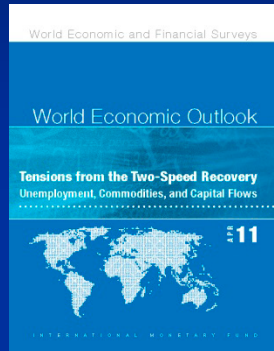
▶ global financial stability, exchange rate stability, international monetary cooperation

The IMF's Main Functions:

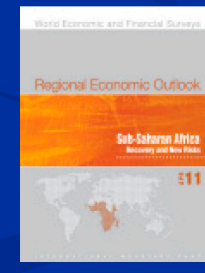
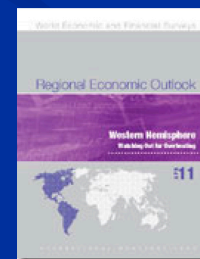
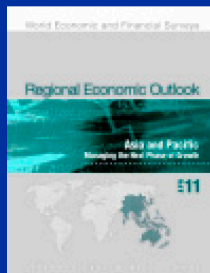
- ▶ Surveillance (bilateral, multilateral & regional, research)
- ▶ Lending (temporary financial assistance)
- ▶ Technical Assistance & Capacity Building

Function 1: Surveillance

- **Global** – Assessing health of world economy and stability of financial markets. Analysis published in World Economic Outlook (WEO), Global Financial Stability Report (GFSR) and Fiscal Monitor.



- **Regional** – A more detailed look published in Regional Economic Outlooks (REOs).



- **Bilateral** – Regular checkups of countries' economies, known as Article IV consultations. In some cases, a deep look at the financial sector.

Function 2: Technical Assistance (TA)

- TA is one benefit of IMF membership. It accounts for about 20 percent of the IMF's annual operating budget.
- The Fund provides advice and training in:
 - Fiscal, monetary, and exchange rate policies.
 - Financial sector regulation and supervision.
 - Statistical systems.
 - The relevant legal frameworks.
- About 80 percent of the IMF's TA goes to low- and lower-middle-income countries
- In particular, TA goes to sub-Saharan Africa and Asia.

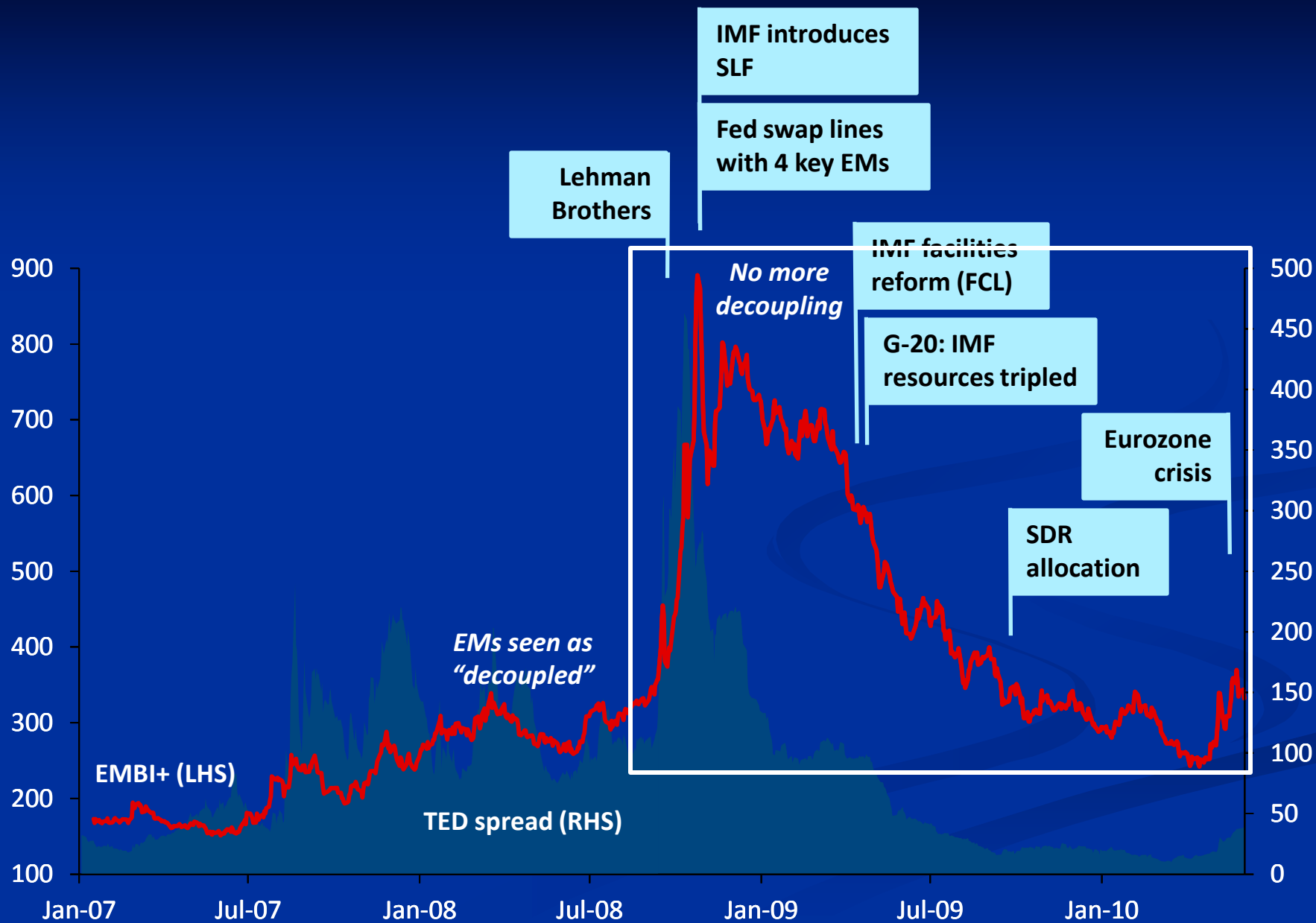
Function 3: Lending

- An IMF loan is usually provided under an *arrangement*.
- The arrangement details the policies a country will implement to resolve its balance of payments problem.
- The program that underpins an arrangement is formulated by the country in consultation with the IMF.
- Once an arrangement is approved the loan is released in *phased installments* as the program is carried out.
- Firefighters are needed, but their presence means there is an emergency. Even when the flames are put out quickly, there are damages and need of repairs.
- Moreover, in the case of the IMF many people, understandably, confuse the firefighter with the fire.

The IMF and the Global Crisis

- **Firefighter** - provide financial assistance to countries in need
 - **Doctor** - share advice on how to nurse individual countries and the global financial system back to health
 - **Coach** - help countries develop skills and policy knowledge on monetary and financial issues
 - **Architect** – analyze and recommend how to overhaul the global financial system
- **Major IMF reforms to best respond to the needs of individual countries and of the world economy**

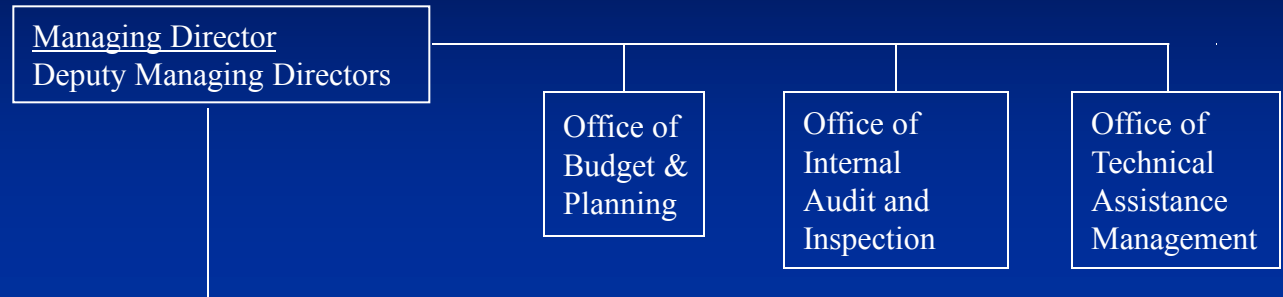
Crisis timeline & IMF response



Moving forward: Building the New IMF

- *Review the Fund's mandate* → To encompass the whole range of macroeconomic and financial sector policies that affect global stability.
- *Providing an effective global financial safety net* → To avoid excessive reserve build-up (building on the success of the Flexible Credit Line). Resources and financing instruments.
- *Assist the G-20 with their mutual assessment of policies* → a new kind of multilateral surveillance for the Fund, emphasizing macro-financial linkages and cross-country spillovers.
- *Take forward Fund governance reform, enhancing our legitimacy and effectiveness* → Continuing governance reforms to ensure adequate representation of EMDCs.

The Work of An IMF Economist



How to Find Out What the IMF Is Doing

The IMF's transparency policy ensures that most Board documents will be made public.

Material describing the IMF's work and its relationship with member countries is available on www.imf.org.

The screenshot shows the IMF website's homepage with a blue header. The main navigation bar includes links for Home, About the IMF, Research, Country Info, News, Videos, Data and Statistics, and Publications. A search bar is located in the top right. The main content area features a large article titled "Global Financial System Risks Escalate" with a photo of a stockbroker and a line graph. Below the article are links to "Read the report", "Read the blog", "Watch the video", and "More top stories". A "What's New" section lists several recent events, including a statement from the Republic of Tajikistan, an IMF seminar by Christine Lagarde, and a transcript of the WEO press briefing. A "2011 Annual Meetings" banner is also visible. On the right side, there is a "Highlights" section with links to various reports and press briefings, and a video player for "A Look Ahead to the 2011 Annual Meetings". At the bottom, there are links to "iMF direct" and "World Economic Outlook (WEO) September 2011".

International Monetary Fund

What's New | Site Map | Site Index | Contact Us | Glossary

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Global Financial System Risks Escalate

Financial stability risks have risen sharply in recent months, as slower economic growth, financial market turbulence in Europe, and the credit downgrade of the United States have weighed on the global financial system, the IMF says in its latest Global Financial Stability Report. ▶

A stockbroker in Germany: anxious financial markets in Europe are concerned about government debt levels (photo: Thomas Lohnes/AFP/Getty Images)

▶ Read the report | ▶ Watch the video
▶ Read the blog | ▶ More top stories

What's New

Republic of Tajikistan: Statement at the Conclusion of an IMF Staff Mission
September 21, 2011

IMF High-Level Seminar "Commodity Price Volatility and Inclusive Growth in Low-Income Countries", Opening Remarks by Christine Lagarde
September 21, 2011
Managing Director, International Monetary Fund ▶

Transcript of the World Economic Outlook (WEO) Press Briefing
September 20, 2011

2011 ANNUAL MEETINGS
World Bank Group
International Monetary Fund
Washington, D.C.
SEPTEMBER 23 - 25, 2011

IMF Data Mapper® v3.0
Plot, compare and import data from countries and regions

World Economic Outlook New Data
Available on the IMF iPad App

Highlights

▶ **Global Financial Stability Report Sep. 2011**

▶ **World Economic Outlook (WEO) Sep. 2011**
Press Briefing

▶ **Fiscal Monitor Sep. 2011**
Press Briefing

▶ **Seminar: Commodity Price Volatility and Inclusive Growth**

▶ **Lagarde on Central Banks' Coordinated Dollar Liquidity Action**

▶ **Fast Facts:**
Portugal: English | Português
Greece: English | ελληνικά

▶ **IMF and the G-20**

A Look Ahead to the 2011 Annual Meetings

iMF direct
New IMF Blog

World Economic Outlook (WEO)
September 2011
Press Briefing

SDR Rates for September 21

- **The IMF's Role in the International Monetary and Financial System**

- **Employment Opportunities**

- **ECONOMIST PROGRAM (EP)**
- **FUND INTERNSHIP PROGRAM (FIP)**
- **RESEARCH ASSISTANT**

ECONOMIST PROGRAM

Program Overview:

- “Point of Entry” for young economist
- Three-year program consisting of two assignments: area and functional department
- Participants have full professional responsibilities

ECONOMIST PROGRAM PARTICIPANTS

Requirements:

- Below the age of 34 when he/she starts
- Minimum Masters degree; preferably Ph.D.
- No direct work experience required, but advantageous

ECONOMIST PROGRAM SELECTION PROCESS

Over 1,500 EP applications received annually...

- Application review against established EP criteria
- Initial Screening
 - Campus interview or internship evaluation
- Short-list of most promising candidates
 - Approximately 70 candidates in 2010
- Evaluation at Fund HQ (interviews and test)
- Economist Committee selection and offers

EP RECRUITMENT SCHEDULE: FALL 2011

- Oct – Nov 2011 Contacts w/ universities
- Dec 6 – 16, 2011 HQ Panels
- Jan 6 - 8, 2012 AEA Conference
- Jan 12 – 13, 2012 HQ Panels
- Jan – Feb 2012 EC Selection Mtgs.
- Sep 2012 EPs Enter on Duty

SELECTION CRITERIA

Panel interview	0.30	
Review of research paper	0.30	(.25)*
<hr/>		
Preliminary Interview	0.10	(.15)*
Writing Test	0.10	
Transcripts	0.10	
Non-technical interview	0.05	
References	0.05	

**Former interns who received strongly positive evaluations may be exempted from the preliminary interviews provided that the internship occurred during the last two years.*

PANEL INTERVIEW

- 45-60 minute panel interview in December or January.
- The panel interview is designed to assess a candidate's:
 - Knowledge of advanced economics
 - Analytical abilities
 - Judgment
 - Oral communication skills
- See IMF.ORG for mock panel interview

RESEARCH PAPER

- Candidates invited for panel interview must submit a research paper (by November 27, 2011).
- Job market paper or dissertation chapter
- < 25 pages...not coauthored
- Evaluated by two departments based on:
 - knowledge of economics
 - analytical rigor
 - clarity and flow of thought

PSYCHOMETRIC ASSESSMENT

- Fill out online (35-45 mins) prior to panel interview trip
 - Interpersonal skills
 - Motivation
 - Commitment
 - Drive
 - Adaptability
 - Ability to work in a team

WRITING TEST

- 90-minute writing test: Summary and critical commentary on one of three IMF working papers.
- Assess drafting skills in terms of:
 - Clarity
 - Conciseness
 - Accuracy
 - Proficiency in English
 - Analytical abilities (secondary consideration)

REFERENCES AND TRANSCRIPTS

References and transcripts are to be submitted if a candidate is invited for a panel interview.

- References: Three references
- Transcripts: Last degree obtained (or to be obtained)

SELECTION DECISIONS

- One round of offers: end-January
- Offers are only binding for current recruitment year.

DEPARTMENT ASSIGNMENTS FOR EPs

- 1st & 2nd assignments
 - ...determined by Human Resources in consultation with other departments and EP candidates skills and inputs

COMPENSATION PACKAGE

Competitive package, including:

- Home leave and education benefits (Non-US Citizens)
- Tax allowance (US Citizens)
- Excellent health and pension benefits
- Generous annual leave
- Other benefits

EP RECRUITMENT – 2011 PROGRAM

- 20 EPs recruited from 15 countries.
- 45% were recruited from non-U.S. universities.
- 55% were women.
- 74% candidates accepted the Fund's offer. Of those declining, most took an academic position instead.

FUND INTERNSHIP PROGRAM (FIP)

- 10-13 week paid internship at Headquarters (between May – October)
- 40 per year
- Research project – leading to a paper

FIP RECRUITMENT SCHEDULE: SUMMER 2011

- Applications: October 3, 2011 – December 16, 2012
- Summer Internship decision: Mid March 2012
- Group enter-on-duty dates starting in May (Last starting date: July)

RESEARCH ASSISTANTS

- Ongoing Applications
- Duration - a couple of years only
- Research Assistant Program (RAP)
 - 3.5 GPA; Bachelor's; 2 yr appointment

CONTACTING THE IMF

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Web site: www.imf.org/jobs



Thank You!

