



Weder di Mauro on governance

The profile of Swiss-born economic advisor Beatrice Weder di Mauro (September 2008) was compelling reading. Germany's choice of Weder di Mauro for induction into its Council of Economic Experts underscores Germany's openness to a results-driven and public-spirited development model.

I concur with Weder di Mauro that Western countries, the IMF, and the World Bank alike need to start reducing their aid to developing countries with atrocious governance records. I am instead in favor of the multilateral institutions' channeling of financial and manpower development assistance to the private sector, which has shown lately in Africa that it is poised to spur the continent's infrastructure development through groundbreaking initial public offerings in telecommunications and banking.



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Who's to blame?

We find ourselves facing what some commentators refer to as an "earthquake in the markets."

This unexpected problem, which originated in one sector of the U.S. economy and has now become a threat to the global financial system, brings to mind the article "Helping the Global Economy Stay in Shape" by Carlo Cottarelli and



Isabelle Mateos y Lago (September 2007). Its opening sentence reads, "From an economic perspective, no country is an island." Today we can attest to the truth of that statement. We are witnessing how the policies—however flawed—of one large country can "transmit shocks across borders at extraordinary speed."

The article states, "Today, the IMF's business model is undergoing a wide-ranging reexamination to ensure that it can continue to fulfill its core mandate of promoting international financial stability." According to the authors, this mandate consists of IMF oversight of the economies of its member countries and, more broadly, of the international monetary system to ensure its effective operation, identifying any synergies or inconsistencies among the policies of the 185 member countries.

I believe that the free market system has been affected by the actions of people making erroneous decisions—either because they are misguided or because they have ulterior motives. Hopefully, the capitalist system will not be undermined by this event, and measures will be taken to overcome the crisis and restore the normal functioning of the global economy. The question remains, however, whether U.S. supervisory agencies or any international organization will conduct an analysis to identify the mistakes made and determine where the responsibility lies.

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World Economic Forum Annual Meeting

March 10–11, Dar es Salaam, Tanzania

High-Level Conference on Africa's Growth Challenge

March 27–31, Medellín, Colombia

Annual Meeting of the Inter-American Development Bank

April 25–26, Washington, D.C.

Spring Meetings of the IMF and the World Bank

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Annual Meetings of the IMF and the World Bank

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