

Making sense of the IMF

When you enter into a conversation with Edward Gemayel, the first thing to hit you is his sharp mind. Getting straight to the point seems to be his way of life. Sometimes you even think that you're going to see the mechanisms in his brains at work. Impressive is a very suitable adjective for this IMF (International Monetary Fund) economist. During a layover between flights, Gemayel was kind enough to answer a few questions for our readers.



Fast Facts on the IMF

- Current membership: 184 countries
- Staff: approximately 2,680 from 139 countries
- Total Quotas: \$312 billion (as of 8/31/05)
- Loans outstanding: \$71 billion to 82 countries, of which \$10 billion to 59 are on concessional terms (as of 8/31/05)
- Technical Assistance provided: 381 person years during FY2005
- Surveillance consultations concluded: 129 countries during FY2005, of which 118 voluntarily published information on their consultation.

The International Monetary Fund was established by international treaty in 1945 to help promote the health of the world economy. It is headquartered in Washington, D.C., and is governed by an almost global membership of 184 countries.

Joining the IMF in 2001 as an economist, Gemayel's job mostly consists of assisting IMF member countries (i) to evaluate economic developments and policies in order to identify economic and structural problems; and (ii) to develop and implement medium- and long-term economic strategies aimed at addressing these problems. His work involves close collaboration with both IMF staff and authorities of the countries he is involved with.

When did you choose to get into finance?

After finishing my schooling at College Notre Dame de Jamhour, I joined the Lebanese American University, where I did my undergraduate studies. After that, I went to Canada, where I completed my graduate studies in economics and finance.

What do you recall about your first job after graduating from college?

After I graduated, I worked as treasurer in a holding company in Lebanon. There, I managed the group's financial assets by investing locally and internationally in the money, fixed-income and equity markets. Also, part of my job was to prepare annual budgets and conduct feasibility studies on the group's investment projects.

Overall, this job left me with a good impression, as I have learned a lot. After all, I thought that after graduating from university I would be able to conquer the world with my academic background. But, very soon I started to see that life is not only about what we learn in university...

(i) The IMF is an organization of 184 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty.

(ii) The International Monetary Fund was founded over 50 years ago to allow currency to be exchanged freely and easily between member countries. Today, the IMF works to help member countries ensure that they always have enough foreign exchange to continue to do business with the rest of the world.

IMF activities

The IMF is responsible for ensuring the stability of the international monetary and financial system - the system of international payments and exchange rates among national currencies that enable trade to take place between countries. The Fund seeks to promote economic stability and prevent crises; to help resolve crises when they do occur; and to promote growth and alleviate poverty. It employs three main functions - surveillance, technical assistance, and lending - to meet these objectives.

What aspects of your job do you find rewarding, and frustrating?

On the positive side, I really enjoy being in an international and intellectually stimulating environment. I also enjoy traveling to places that I never even dreamed about. The less rewarding aspect is that I am far from home and my family, although one has to admit that Washington is a cosmopolitan, and extremely interesting, city.

Who runs an organization like the IMF?

The IMF is accountable to its member countries, and this accountability is essential to its effectiveness. The day-to-day work of the IMF is carried out by an Executive Board representing the IMF's 184 members, and an internationally recruited staff under the leadership of a managing director and three deputy managing directors - each member of this management team being drawn from a different region of the world. The powers of the Executive Board to conduct the business of the IMF are delegated by the Board of Governors, which is where ultimate oversight rests.

Where does the IMF get the money used to help countries in need?


The IMF's resources come mainly from the quota (or capital) subscriptions that countries pay when they join the IMF, or following periodic reviews in which quotas are increased. Countries pay 25 percent of their quota subscriptions in Special Drawing Rights (which is an international reserve asset introduced by the IMF in 1969 to support the expansion of world trade) or major currencies, such as US dollars or Japanese yen; the IMF can call on the remainder, payable in the member's own currency, to be made available for lending as needed. Quotas determine not only a country's subscription payments, but also the amount of financing that it can receive from the IMF, and its share in SDR allocations. Quotas are also the main determinant of a country's voting power in the IMF.

According to your experience, what qualities should one possess to enter such an organization?

One should ideally have a solid economist background. One has also to be hard-working, team-oriented and willing to spend a fair amount of time travelling.

There are two ways of getting a job at the IMF. First, one can apply through the internet (www.imf.org). Second, the IMF sometimes advertises for positions in major economic journals. In addition, the IMF holds annual recruiting missions in several countries. For more details on recruiting, I strongly encourage those interested to visit the IMF website.

Is there one particular piece of advice you would like to give to young students who might have an interest in following in your footsteps?

My job is definitely very interesting, challenging and rewarding. If you want to work in a diversified and intellectually rewarding environment that would allow you to make acquaintances in the four corners of the world, then the IMF is surely a place you want to consider. 

E. Gemayel is the author of the following IMF working papers, country reports, surveys, and research bulletins:

■ How Tight Is Too Tight?

A Look at Welfare Implications of Distortionary Policies in Uzbekistan; Edward R. Gemayel and David A. Grigorian; IMF Working Paper, December 1, 2005

■ Risk Instability and the Pattern of Foreign Direct Investment in the Middle East and North Africa Region

Kitty K. Chan and Edward R. Gemayel, IMF Working Paper, August 1, 2004

■ Sudan: Report on the Final Review of the 2003 Staff-Monitored Program IMF Country Report, June 02, 2004

■ IMF Survey: October 25, 2004

Iraq receives IMF financing; Finding ways to boost public investment; Should hedge funds be regulated? The effects of high debt; New director in Finance Department; Lawrence Summers on U.S. current account deficit; The WTO and poor countries, October 25, 2004

■ IMF Research Bulletin, September 2004

Research summaries on fiscal rules and financial development in low-income countries: Old questions or New Problems? October 12, 2004

