Majors

The IMF is owned by the governments of its member countries, but they do not all enjoy one-country one-Director status on its Executive Board.

Only the largest members (according to the formula which determines each country's shareholding—quota) have their own individual Director. Most countries join together in "constituencies", with each constituency having a Director.

In this piece, with one proviso, the term "majors" refers to those countries which are large enough in the institution to enjoy their own single Director on the Executive Board, namely the U.S., Japan, China, France, Germany, the UK, the Russian Federation, and Saudi Arabia.

The proviso concerns some countries which do not enjoy the privilege of their own individual Directors on the IMF Executive Board but which are members of the Euro Zone, such as Italy, Spain, and Ireland.

For purposes of the proposed rule governing appointments of Managing Director, these would also be considered as "majors".

This is because following the formation of the Euro, its member countries also committed to maintaining common positions on all matters at the IMF Board. They have made formal arrangements to forge these positions prior to IMF board meetings and to maintain them there. This is sometimes reflected in the procedure whereby one of them drafts an agreed position on a matter at the board, and the others simply assent to it in full.

In this way, these Euro Area countries which do not enjoy their own single Director can be constrained at the IMF board to support the views of those which do.

Thus, for purposes of applying the "no Majors" guideline regarding the appointment of IMF Managing Directors, the proposal is to rule out nationals from countries which enjoy their own single Director at the IMF Executive Board, *and* those which are members of the Euro Area.

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