

South Africa, Russia Rebuff Demands From Europe to Keep IMF's Chief Job

By Nasreen Seria and Artyom Danielyan - May 18, 2011

[South Africa](#) and [Russia](#) said the next head of the [International Monetary Fund](#) should come from an emerging economy, rebuffing demands from European officials who want the post reserved for someone from their region.

Trevor Manuel, head of South Africa's National Planning Commission, is "highly respected in the world," Finance Minister [Pravin Gordhan](#) said in an interview in Pretoria today. Russian central bank Deputy Chairman Sergei Shvetsov said a developing country should be given the chance to run the IMF to better reflect the role of those economies in global trade.

European officials are closing ranks to defend their 65-year lock on the top job at the IMF after its chief, [Dominique Strauss-Kahn](#) of France, was arrested in [New York](#) on May 14 and charged with sexual assault on a housekeeper at a Manhattan hotel. South Africa, Brazil, India and other emerging economies have lobbied the Group of 20 to change a global convention that reserves the top job at the IMF for a European and the World Bank position for an American.

"[Europe](#) must be alive to changes in the world," Gordhan said. "There are fundamental changes happening in the world. If there is a vacancy in the leadership of the IMF, and that depends on the due process of law being concluded, we must have an open and transparent process" to choose a new leader.

Potential Candidates

Manuel, Gordhan's predecessor, is among potential candidates named by Eswar Prasad, a senior fellow at the [Brookings Institution](#) in [Washington](#) and a former IMF official, as a successor to Strauss-Kahn. Other potential candidates include Singapore Finance Minister Tharman Shanmugaratnam and Kemal Dervis, who was Turkey's minister of economic affairs at a time his country got IMF aid, Prasad said.

"Emerging markets have every right to compete for leading positions in international organizations," Shvetsov said in an interview in Moscow today. "This is absolutely normal."

South Africa is in talks with other developing nations on a possible candidate, including whether it will support a single candidate from emerging market nations, Gordhan said. He declined to give further details.

At G-20 discussions, there was “broad agreement that we are moving into a more democratic era where issues of merit and transparency need to be part of the framework in which leaders are chosen at the IMF,” Gordhan said.

Brazilian President [Dilma Rousseff](#)'s administration has no intention of using the current crisis to push for an emerging market candidate to lead the fund, according to two government officials who couldn't be named because they're not authorized to speak publicly on the matter.

‘Fair and Transparent’

[China](#)'s government asked for a “fair and transparent process,” while Bank of Korea Governor Kim Choong Soo in Seoul today that he hoped “this will be an opportunity for a country in the emerging economies to take the post.”

Finance ministers from Sweden to Spain say there's a need for a European as Strauss-Kahn's potential successor while the region contends with a sovereign-debt crisis.

Manuel, 55, has earned plaudits from financial leaders around the globe for his handling of the economy. As finance minister for 13 years prior to assuming his current post in May 2009, Manuel brought the budget into a surplus and introduced inflation targeting.

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