

Foreword

The International Monetary Fund was created in 1944 to be the world's premier financial institution. It is the locus of international monetary cooperation among nearly all of the world's countries. In periods of relative calm, it regularly analyzes and reviews the economies of more than 180 countries and encourages cooperative and multilateral solutions to problems. In times of crisis, it is the first and foremost institution to respond with policy advice and financial assistance. The IMF is rightfully proud of its history, which I am eagerly learning as I begin my tenure as Managing Director. It is a history that should be shared more widely with the world community.

This volume is the fifth in a series of Histories published by the IMF. It continues the tradition of making each History more open and frank than those written earlier. The mandate of the Fund Historian is to write the History candidly and without bias, to approach the subject as an objective scholar and not as an advocate for the institution. This book presents the author's personal views, not those of the IMF, and he takes full responsibility for them. He has had full access to the Fund's archives and its senior officers. Many of the political leaders and finance officials who played crucial roles in the events of the 1990s have shared their own recollections with him to inform and enrich the account. My hope and expectation is that this commitment to openness and transparency will encourage readers to reflect on the challenges that confronted the IMF and to draw their own conclusions about how well the institution did and how we might improve in the future.

The 10 years covered in this volume—1990 through 1999—were years of upheaval, marked by large shocks: financial, economic, social, and political crises that spread around the world without regard for borders or distances. But they were also years of renewal, at the end of which many countries that had long been isolated were enjoying the fruits of international trade and cooperation. As this book emphasizes, it was a time when the political and economic walls that had separated east from west and north from south began to be dismantled. Adjusting to the upheavals was not easy, but few people today would want to rebuild the walls. The central lesson of this book is much the same as what I have concluded from my own experience before I came to the IMF: while the challenges of an open global economy are great, the alternative is not viable. To move forward, to build on the progress of the past two decades and put the stresses of the adjustment behind us, we need multilateralism and cooperation more than ever.

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