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A Critical History of the International Monetary Fund, Oscar Ugarteche, Mexico, Institute for Economic Research-UNAM, 2014.

The author challenges the current utility of the International Monetary Fund (IMF) in light of recurring financial crises. The IMF was founded in 1944 to maintain the stability of the financial system. Now, however, the circumstances that spurred its formation have changed, and far from becoming stronger, its powers have been diluted over the past 15 years due to problems with transparency in its operations and a credibility crisis related to the way in which its executive director is chosen.

Some counterweights to the IMF have emerged, one of which is the Chinese government, which has issued a call to strengthen oversight of the economies that issue the principal reserve currencies and therefore play a significant role in promoting financial stability. Nascent economic blocs such as the BRICS (Brazil, Russia, India, China, and South Africa) have proposed creating their own regional bank to avoid the Fund's drastic policy measures.

The author describes how the IMF takes advantage of nations in crisis. The drastic adjustments it imposes have impoverished countries, leading us to reflect on whether this institution has done good or evil in confronting economic imbalances. Statistical data show how Latin America has fallen behind the wealthier countries as a result of the fiscal adjustments and trade liberalization for which the IMF advocated during the debt crisis.

On the other hand, the IMF pales in comparison to the largest economy in the world, which is responsible for the problems of the present day. The IMF directed strikingly soft rhetoric towards the United States after the 2008 financial crisis, with no official statement, and little action to deal with the root causes of the problem, unlike what the body has done when intervening in Latin America.

The book invites the reader to reflect on the multilateral nature of loans, because the IMF has historically demanded no responsibility of creditors with respect to loan terms or interest rates when dealing with the consequences of economic imbalances.

These facts have led its government clients to cast doubt on the impartiality and credibility of the Fund; the author shows that between 2000 and 2006, the institution saw its portfolio decline by 69%, and its income fell 80% between 2005 and 2009. In 2003, various governments were even driven to return to the IMF its money in order to avoid the conditions previously imposed by the institution.

Globalization has contributed to the interdependence of the financial markets, and as a result, financial crises tend to spread rapidly from one country to another. The current global economic context demands that the IMF take on a more active role as a lender, commit to the formulation of macroeconomic policies, and consolidate its credibility, by assessing the United States deficit with stricter rigor and assuming responsibility for its past errors. Likewise, the author asserts the need for supervision and regulation of the derivatives market, which could be revived as the new raison d'être of the Fund.

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