

# Membership of Key Economies in International Organisations

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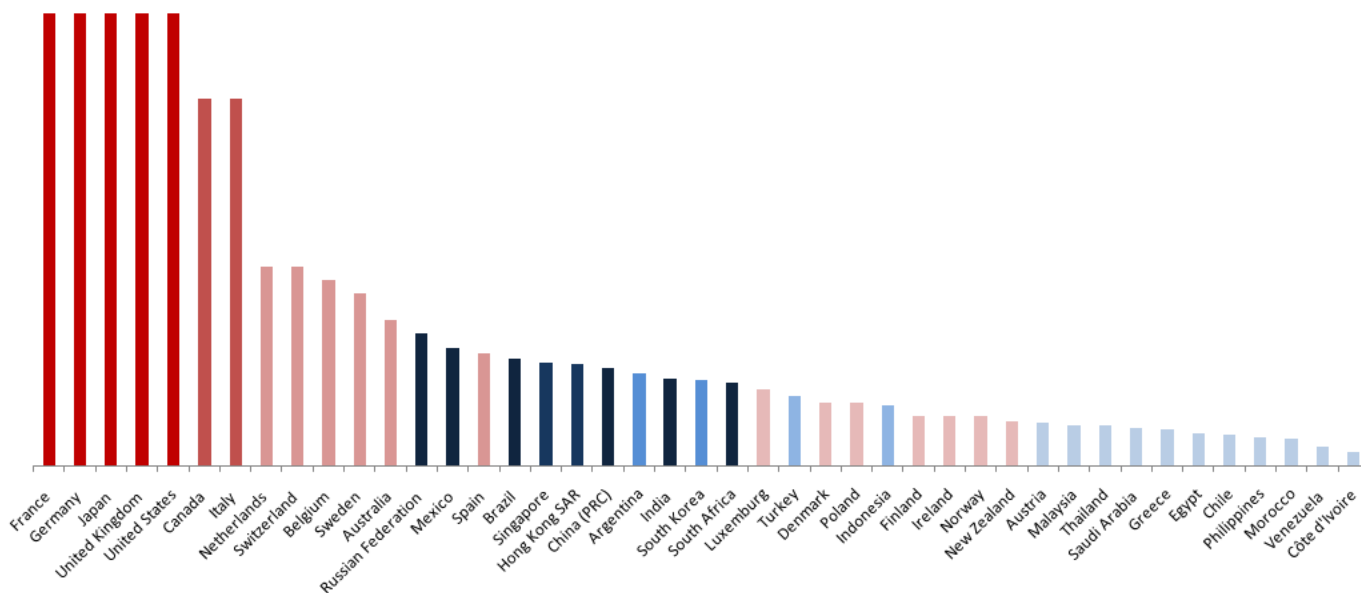
This article discusses the membership of 43 key economies in the major international financial institutions. The aim is to assess whether the global [financial architecture](#) adequately incorporates the key economies.

The chart (2<sup>nd</sup> page) lists 21 international organizations. Some of them are grouped together to reduce the overlap. The organizations are clustered along four categories:

- **informal government-institutions** (blue): G5, G7, G8, G22, G33, G20, G24
- **formal government-institutions** (yellow): OECD, FATF, Paris-Club, World Bank, IMF
- **central-bank-institutions** (red): G10, CPSS, CGFS, BIS
- **regulator institutions** (green): FSF, BCBS, Joint Forum, IOSCO, IAIS

All institutions operate on the international level.

The power-ranking (below) lists the countries according to their membership in crucial institutions. The power-rank is calculated by assigning equal value to all organisations and then distributing the value across the members of an organisation. A country is more “powerful” if it is a member of a more exclusive group of nations.



The countries can be grouped into six categories:

- **W1: The Group of Seven (G7):** This premier league of Developed Western Economies can be subdivided into two groups:
  - **The Group of Five (G5):** France, Germany, Japan, United Kingdom, United States
  - **The Two Add-Ons:** Canada, Italy
- **W2: Second league of Developed Western Economies:** Netherlands, Switzerland, Belgium, Sweden, Australia, and Spain.
- **W3: Third league of Developed Western Economies:** Luxemburg, Denmark, Poland, Finland, Ireland, Norway, New Zealand, and Austria
- **E1: The Emerging Ten:** The premier league of emerging economies can be subdivided into three groups:
  - **BRICS+05:** Russia, Mexico, Brazil, China, India, South-Africa
  - **The Two Key Capital Markets:** Singapore, Hong Kong
  - **The Two Emerging Aspirants:** Argentina, South Korea
- **E2: Second league of Emerging Economies:** Turkey and Indonesia
- **E3: Third league of Emerging Economies:** Malaysia, Thailand, Saudi-Arabia, Greece, Egypt, Chile, Philippines, Morocco, Venezuela and Côte d'Ivoire.

| Country            | G5/G7/G8 | G22/G33/G20 | G24 | G10 | CPSS | CGFS | BIS | Paris Club | OECD | FATF | IMF | World Bank | FSF | BCBS | Joint Forum | IOSCO | IAIS |
|--------------------|----------|-------------|-----|-----|------|------|-----|------------|------|------|-----|------------|-----|------|-------------|-------|------|
| Argentina          |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Australia          |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Austria            |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Belgium            |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Brazil             |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Canada             |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Chile              |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| China (PRC)        |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Côte d'Ivoire      |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Denmark            |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Egypt              |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Finland            |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| France             |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Germany            |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Greece             |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Hong Kong SAR      |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| India              |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Indonesia          |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Ireland            |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Italy              |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Japan              |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Luxemburg          |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Malaysia           |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Mexico             |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Morocco            |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Netherlands        |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| New Zealand        |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Norway             |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Philippines        |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Poland             |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Russian Federation |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Saudi Arabia       |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Singapore          |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| South Africa       |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| South Korea        |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Spain              |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Sweden             |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Switzerland        |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Thailand           |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Turkey             |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| United Kingdom     |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| United States      |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |
| Venezuela          |          |             |     |     |      |      |     |            |      |      |     |            |     |      |             |       |      |

## Explanation

|  |                        |
|--|------------------------|
|  | G5                     |
|  | G7                     |
|  | G8                     |
|  | G22+G33+G20            |
|  | G33+G20                |
|  | G22+G33                |
|  | G33 only               |
|  | G24 Observer           |
|  | G24                    |
|  | G10                    |
|  | CPSS                   |
|  | CGFS                   |
|  | CGFS Observers         |
|  | BIS                    |
|  | BIS Board of Directors |

|  |  |
|--|--|
|  | Paris Club Creditors invited on a case-by-case-basis |
|  | Paris Club Permanent Members                         |
|  | IMF / World Bank                                     |
|  | IMF/World Bank with own Executive Director           |
|  | OECD invited   |
|  | OECD/FATF Member                                     |
|  | FSF (Finance, Regulator, Central Bank)               |
|  | FSF (Central Bank only)                              |
|  | BCBS   |
|  | Joint Forum Member in all three working groups       |
|  | Joint Forum Member in two working groups             |
|  | Joint Forum Member in one working group              |
|  | IOSCO Member   |
|  | IOSCO Exec Council                                   |
|  | IAIS Member  |

## Main findings

The dominance of the [G5](#) and the [G7](#) in the international institutions can be clearly found in the institutional membership.

Russia is quite unlike the G7, is not a full member in the financial institutions, and without [G8](#) membership its rank would be significantly lower.

China and Hong Kong together rank higher than all members of the W2, the second league of Western developed countries. In other words, China and Hong Kong together have more influence in international institutions than for instance the Netherlands, Switzerland or Belgium.

Mexico, Brazil, China, India, South Africa, South Korea and Argentina are all good candidates for [G8](#) enlargement when considering institutional membership. South Korea and Argentina are however impeded by the relative dominance of Mexico, Brazil, and China in international institutions. South Africa and India are less influential than South Korea and Argentina in terms of institutional membership.

The main difference between the first (W1) and second (W2) league of developed economies is membership in the [FSF](#) and in the [G20](#).

The main difference between the second (W2) and third (W3) league of developed economies is participation in [BIS](#)-hosted institutions.

The main difference between W3 and E3 is that E3 was a member of the [G33](#) whereas W3 participates in the [OECD](#).

There is considerable overlap of membership in the [BIS](#)-hosted institutions and in the [OECD-FATF-Paris-Club](#)-Cluster.

The [BIS](#)-hosted cluster of institutions, unlike the [BIS](#) itself, does not grant extensive membership to the emerging economies, with the exception of Hong Kong and Singapore.

### W1: G5 and G7

The dominance of the [G5](#) countries (US, UK, G, F, J) can be seen in both the chart and the ranking. The [G5](#) are members in all institutions (with the exception of the [G24](#)) and often play a dominant role in the various institutions.

The two remaining members of the [G7](#), Canada and Italy, play a similar important role in most of these institutions. Yet in contrast to the [G5](#), they do not have exclusive positions in the [IMF/World Bank](#) Board of Governors/Directors.

Canada and Italy participate in only two out of three of the working groups in the [Joint Forum](#), whereas the [G5](#) participates in all three working groups. (The Joint Forum is a forum for discussing financial conglomerates, bringing together regulators with the three main international regulatory bodies, [BCBS](#), [IOSCO](#), and [IAIS](#) in three working groups, Banking, Insurance and Securities.)

### E1: BRICs and O5

Russia is a member of the [G8](#), but clearly does not fall into the same category as the [G7](#) in terms of institutional membership. For historic but also for economic reason is it not member of the [G10](#), which is a forum of central banks and finance ministers of major financial markets.

Russia does not contribute to the various Committees hosted by the [BIS](#), such as the [CPSS](#), [CGFS](#), the [BCBS](#) or the [Joint Forum](#). Russia was invited to join the [OECD](#), actively participates in the [FATF](#) and the [Paris Club](#). The fact that Russia does not belong to [G7](#) is confirmed by the continued tradition of the [G7](#) Finance Ministers still meeting without Russia, except in the meeting ahead of the [G8](#)-Summit.

Russia is often grouped with other emerging economies, such as China, Brazil, and India (the so-called BRIC countries) or the so-called O5 (Outreach Five: Brazil, Mexico, India, China, South Africa). In the power-index, these six countries can all be found in the upper-half of the index, but occupy very different ranks (Russia: 13th, Mexico: 14th, Brazil: 16th, China: 19th, India: 21st, South-Africa: 23rd).

The common characteristic of these six countries is their membership in all forums attempting to bring together emerging economies and the developed economies, such as the [G22](#), the [G33](#) or the [G20](#). This confirms the “bridge position” that these six countries maintain to the developing world. Brazil, India and Mexico are also member of the [G24](#), a group of developing countries discussing financial matters, China is only an observer of that group.

A common characteristic of these six countries that they lack participation in the [BIS](#)-hosted bodies, especially they are not members of the [CPSS](#) or the [CGFS](#). Brazil, China, India, and Mexico have been consulted by the [CGFS](#) occasionally. All six countries are member of the [BIS](#), but only Mexico and China have seats on the Board of Directors, which gives them slightly more impact on the [BIS](#) activities.

Mexico is the only country which is a full member of the [OECD](#), although Brazil, China, India, Russia and South Africa have been invited to join. With the exception of India, all countries are member of the [FATE](#), a task force for fighting money laundering and financing of drugs.

They are all members of [IOSCO](#) and [IAIS](#), but only Brazil and South Africa have gained seats on the Executive Council.

## **W2 vs. E1: G8 Enlargement**

When looking at these six countries, two questions should arise: are they really suitable candidates for [G8](#) enlargement? And are there other more suitable candidates?

Russia occupies a high position in the ranking but mostly because of its membership in the [G8](#). Without the [G8](#) membership, it would fall from the 13th to the 20th rank.

Mexico (14th) and Brazil (16th) clearly earned their position in the global financial architecture, and thus among the emerging economies of E1 are the first candidates to be considered for [G8](#) enlargement.

Nevertheless, they are surpassed by the developed countries occupying the upper-third of the ranking (W2). These are developed, medium-sized Western Economies such as Netherlands (8th), Switzerland (9th), Belgium (10th), Sweden (11th), Australia (12th), and Spain (15th). In the past, these countries complained that the [G7](#) weakens their institutional power by not engaging with them more. Nevertheless, their strength is clearly reflected in other forums, such as the [BIS](#)-hosted bodies. However, the reason why the W2 have not been invited to the W1 is clearly that they would not bring much diversity to the table of the [G7](#), but make decision-making more difficult, thus it is unlikely that they would ever be candidates for [G8](#) enlargement.

China (19th), India (21st) and South Africa (23rd), however, are surpassed by other emerging economies, such as Singapore (17th), Hong Kong (18th), Argentina (20th), and South Korea (22nd), which are also part of the E2.

The high-ranking of Singapore and Hong Kong reflect their status as important financial markets in the Asian region, which is why they are also members of the [Financial Stability Forum](#).

China is not a direct member of the [FSF](#), but indirectly through Hong Kong. If Hong Kong and China are counted as one entity, instead of two separate entities, than “ChinaHongKong” would occupy the 9th position in the ranking, far ahead of the Netherlands and all other countries that follow.

Why are Argentina and South Korea often ignored in [G8](#)-enlargement debates, while India and South Africa are mentioned? In terms of membership in international institutions, all four have similar characteristics like the above mentioned BRICS/O5. They are members of the [G20](#) (and the [G22+G33](#)). Argentina is also member in the [G24](#), Korea has been consulted in the [CGFS](#). Argentina has not been invited to the [OECD](#), but Korea is a full member. Argentina is a member in the [FATE](#), Korea is not. Argentina is a member of the Executive Council of [IOSCO](#), Korea is a normal member in [IOSCO](#). But in terms of institutional membership they can clearly match India and South Africa.

India and South Africa are most likely to be chosen for G8 enlargement for geopolitical balance. India represents a large fraction of Earth population, whereas South Africa is the most developed country in Africa (other countries in Africa, like Egypt (38th), Morocco (41st) and Côte d’Ivoire (43rd), occupying position at the lower end of the ranking). Argentina is overshadowed by Mexico and Brazil, whereas South Korea is overshadowed by China, Hong Kong and Singapore in South-East Asia.

## W1 vs. W2: FSF- and G20 participation

What distinguishes the group of “old developed economies” (W2) from the [G7](#) (W1)? The Netherlands (8th), Switzerland (9th), Belgium (10th), Sweden (11th), Australia (12th), and Spain (15th) occupy ranks on the top-third of the scale. Only Australia is a member of the [G20](#) and the [G22](#), but all are member of the [G33](#).

Except for Spain and Australia, all are members of the [G10](#), the [CPSS](#), the [CGFS](#) (Spain and Australia have been consulted by the [CGFS](#)). Belgium, Spain and Sweden are not members of the [FSF](#), Australia, Netherlands and Switzerland send one delegate to the [FSF](#) (contrasted with three delegates sent by [G7](#)).

All countries of the W2 are full members of the [Paris Club](#), the [OECD](#), the [FATF](#), the IMF and World Bank, but do not dominate these organisations.

Australia is not a member of the [BCBS](#), all other five W2 countries are. Sweden is not a member of the Joint Forum, all others are, with Australia having the most impact as being member of two working groups. Australia and Spain occupy executive positions [IOSCO](#) (Spain because IOSCO’s headquarters are in Madrid), all six are members of [IOSCO](#) and [IAIS](#).

Thus the main difference between W1 and W2 is the [FSF](#)- and [G20](#)-participation. The ranking suggests that these countries were deliberately given a weaker-status or excluded from membership by the [G7](#), because again they would add little diversity to the table but make decision-making more difficult. The W2 have impact through the [BIS](#)-hosted institutions

## W2 vs. W3: BIS-Participation

The second league of developed countries must be contrasted with eight other developed countries (W3) which occupy the lower half of the ranking of the 43 countries, such as Luxemburg (24th), Denmark (26th), Poland (27th), Finland (29th), Ireland (30th), Norway (31st), New Zealand (32nd), and Austria (33rd).

These countries are mostly not members of the [G22](#), [G33](#) or [G20](#) (except for Poland, who was a member of the [G33](#) and the [G22](#), but was not chosen for the [G20](#)).

They are members of the [BIS](#) (with the exception of Luxemburg), but do not have seats on the Board of Directors. None of them however are systemically important to be members of the [FSF](#) or the [BCBS](#) (with the exception of Luxemburg, who is a member of the [BCBS](#) even though it is not a member of the [BIS](#)). Only Denmark participates in the Joint Forum, the other ones do not.

They are members of the [Paris Club](#) (with the exception of Luxemburg and Poland), all are members of the [OECD](#), [FATF](#), [IMF](#) and [World Bank](#). Only New Zealand and Poland have an Executive Position in [IOSCO](#), but all are members of [IOSCO](#) and [IAIS](#).

## E2 vs. W3: G20 and OECD participation

Turkey (25th) and Indonesia (28th) can be found in similar position as the above mentioned W3. However, both Turkey and Indonesia have become members of the [G20](#), in contrast to the W3. They are not members of the [OECD](#) or the [FATF](#), but Indonesia has been offered enhanced engagement in the [OECD](#) (for the ranking, enhanced engagement and invited membership is given the same weight).

Neither Turkey nor Indonesia are member of the [FSF](#) or the [BCBS](#), thus the main difference to the group above is their membership in the [G20](#) or in the [OECD](#). It would be fruitful to study whether [G20](#) or [OECD](#) membership adds more power capability in terms of institutional membership.

## E3: Occasional participants in international financial institutions

The last group to be discussed is a group of developing countries occupying the lower ranks: Malaysia (34th), Thailand (35th), Saudi-Arabia (36th), Greece (37th), Egypt (38th), Chile (39th), Philippines (40th), Morocco (41st), Venezuela (42nd) and Côte d’Ivoire (43rd).

Malaysia and Thailand were members of the [G22](#) and [G33](#), but not members of the [G20](#). Egypt, Philippines and Venezuela were members of the [G24](#), but not in the [G22](#) or [G20](#) (although Egypt was member of the [G33](#)).

None of the eight are important members of [BIS](#)-hosted organisations, although Chile, Greece, Malaysia, the Philippines, Saudi-Arabia and Thailand are members of the [BIS](#). Greece is a full member of the [OECD](#) and the [FATF](#), Chile has been invited, the other countries in E3 are not members.

All of them are members of [IOSCO](#) and [IAIS](#), with the exception of Saudi-Arabia, Venezuela (only member of [IOSCO](#)) and Côte d'Ivoire.

Why include countries like the E3 in the ranking at all? With the exception of Côte d'Ivoire, all countries of E3 are important economies in their region, but this is not reflected in the institutional membership.

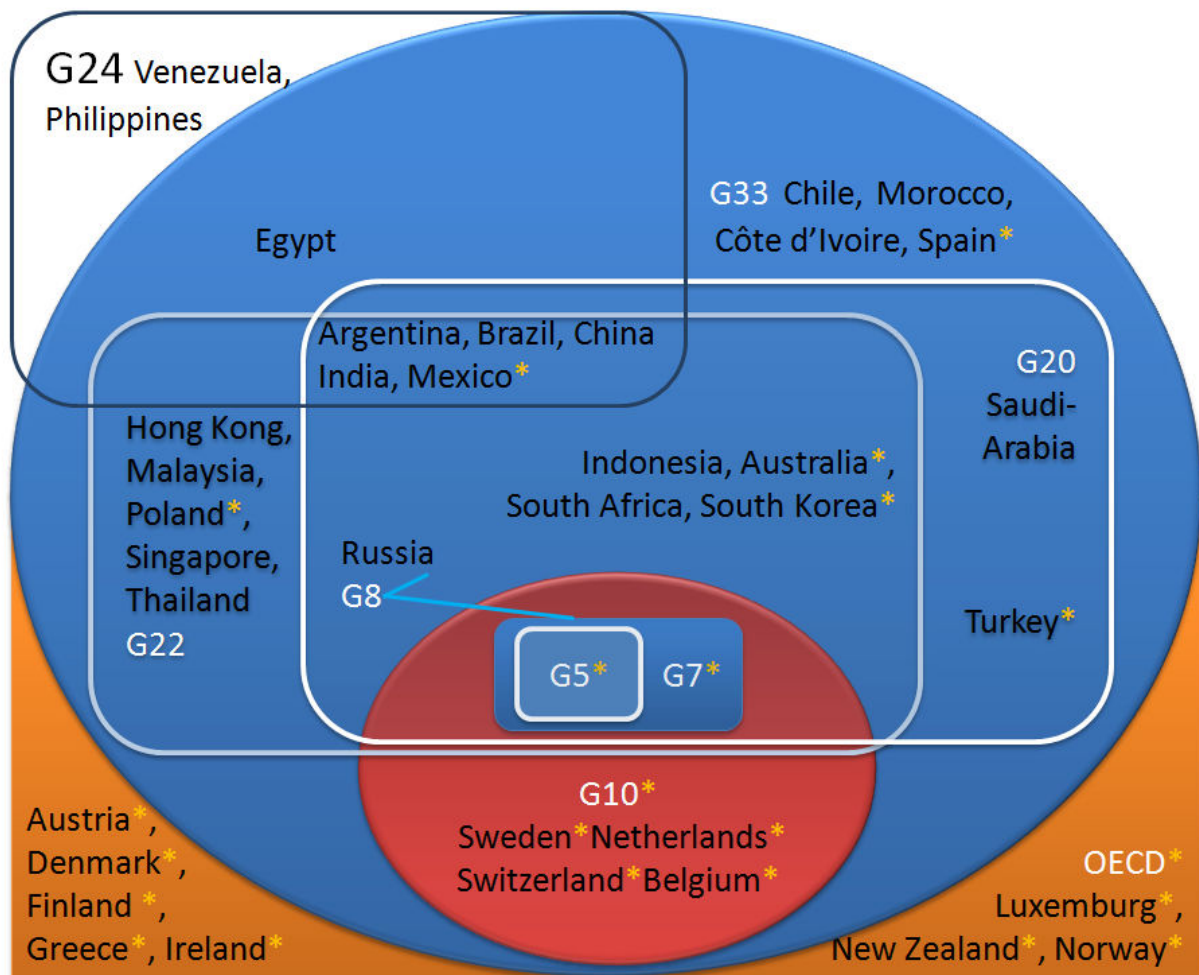
Saudi-Arabia is not a member of [BIS](#) or [BIS](#)-hosted bodies, it is not a member of [IOSCO](#) and [IAIS](#), not a member of the [OECD](#), the [FATF](#) or the [Paris Club](#), but a member of the [G33](#).

Venezuela has been included in this ranking because it is a member of the [G24](#).

Côte d'Ivoire has been included in this ranking because it was a member of the [G33](#).

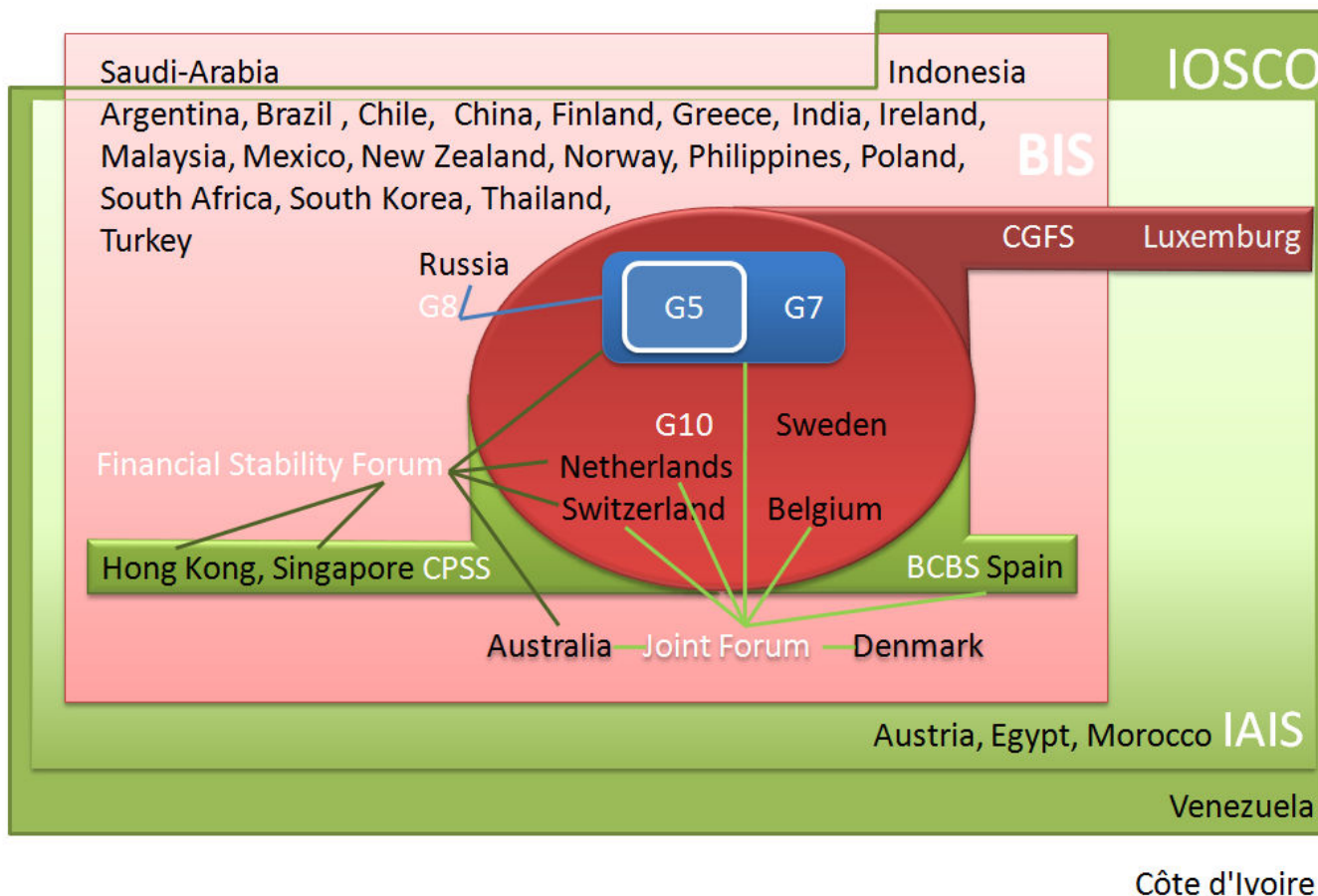
There are probably other countries in their respective regions which would earn a higher ranking if included.

## Relationship between memberships in various institutions



In the sample of 43 countries, there are some clear relationships between memberships in the various institutions. The most obvious is that all members of the [G5](#) are members of the [G7](#), all members of the [G7](#) are members of the [G8](#), all members of the [G8](#) are members of the [G22](#), [G33](#) and [G20](#) (this is the dominance of the G5/G7 describe earlier).

[G24](#) members are not members of the [G8](#) and vice versa, but 5 members of the [G24](#) are also in the [G22](#), [G33](#), and [G20](#). [G24](#) members are not members of the [G10](#), the [CPSS](#), the [CGFS](#) and, with the exception of Mexico, they are not members of the [OECD](#).



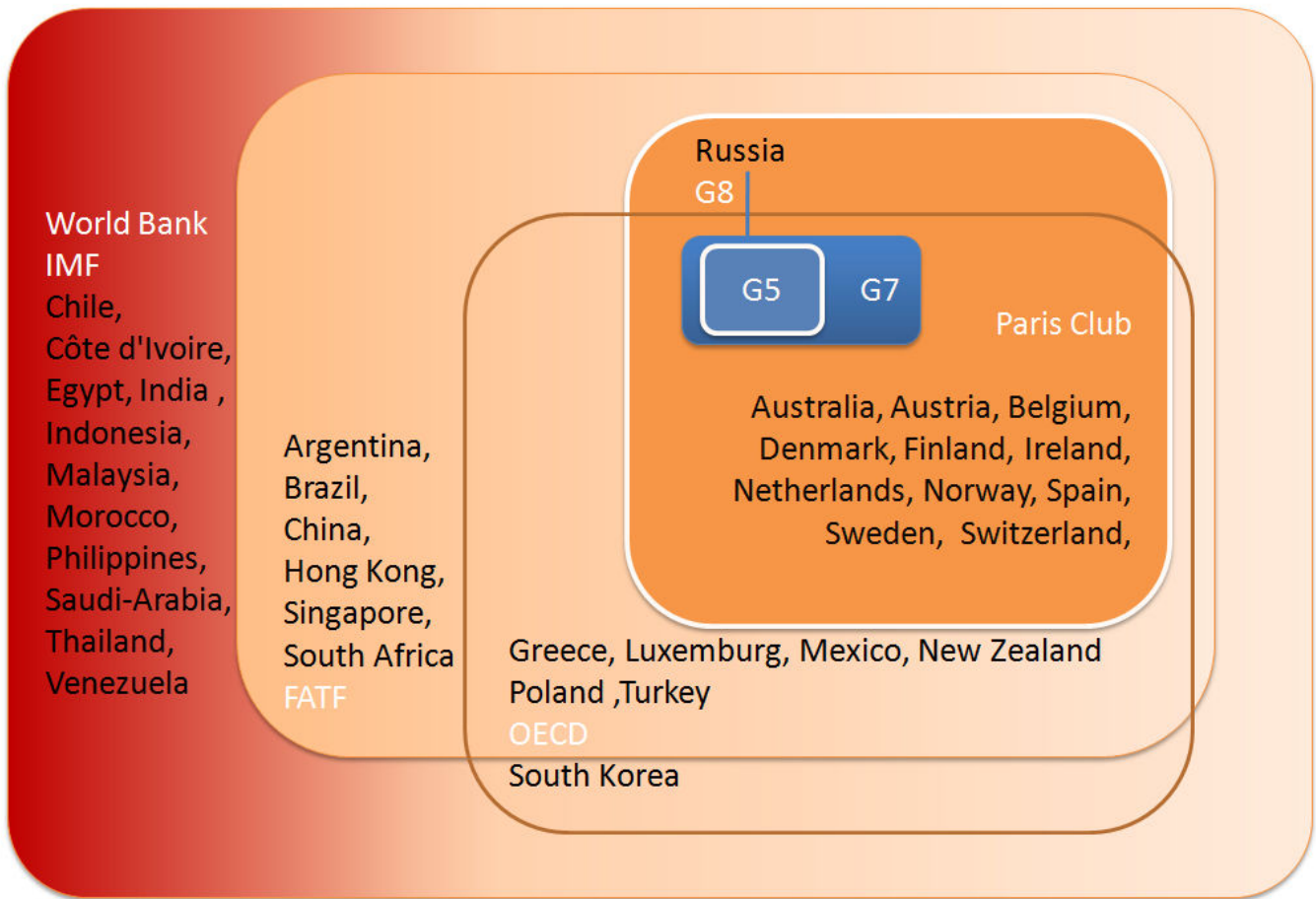
When turning to the regulator-institutions and central bank institutions, it is obvious that all [G7](#) members are [G10](#) members, all [G10](#) members are members of [BIS](#), [CPSS](#), [CGFS](#), [BCBS](#), [OECD](#), and [FATF](#).

In fact, not only is the [G10](#) members of the [BIS](#)-hosted institutions, the [G10](#) has not added many other countries to these institutions. The [CGFS](#) consists of the [G10](#) plus Luxembourg (not a [BIS](#) member), the [CPSS](#) of the [G10](#) plus Hong Kong and Singapore, the [BCBS](#) of the [G10](#) plus Spain.

There is also considerable overlap between the [G10](#) and other institutions hosted by the [BIS](#). Out of the eleven [G10](#) members, only Belgium and Sweden do not participate in the [FSF](#), but the [FSF](#) includes Hong Kong, Singapore and Australia.

The [Joint Forum](#) includes the [G10](#) with the exception of Sweden, and includes Australia and Denmark. Seventeen countries are the most relevant players in the [BIS](#)-hosted organisations: the [G7](#) (Rank 1-7), Netherlands (8th), Switzerland (9th), Belgium (10th), Sweden (11th), Australia (12th), Singapore (17th), Hong Kong (18th), Luxembourg (24th) and Denmark (26th). None of the emerging economies, despite being members of the [BIS](#), participate in these [BIS](#)-hosted institutions.

The vast majority of [BIS](#)-members in the sample are also members of [IOSCO](#) and [IAIS](#).



Memberships also overlap with regard to the governmental organisations in Paris: the [Paris Club](#), the [OECD](#) and the [FATF](#). All members of the [Paris-Club](#) with the exception of Russia are members of the [OECD](#). Russia has been invited to the [OECD](#), however. All members of the [OECD](#), with the exception of South Korea actively participate in the [FATF](#). And all members of the [FATF](#), like all other states in our sample are members of the [IMF](#) and the [World Bank](#).

#### Further research

The index has tried to focus on groups relevant to the Financial Architecture, but clearly other institutions could be included. In the area of trade, for instance the [G77](#), the WTO, the Trade-G33, the Trade-G20, the Quad-Group would be relevant. In the area of security policy, the Security Council as well as the P5 (five permanent members in the Security Council), as well as the OSCE could be relevant. In the field of energy, group membership in the OPEC or the IEA needs to be included. Also regional institutions, such as APEC, ASEAN, EU or AU can be incorporated.

Since the index is only a first attempt to get a grip on how group membership affects power, further research would also incorporate different weights for the organisations, maybe differentiated along categories of attendance - head of states, ministers, deputies, working group etc. and policy field.