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Spotlight G20: BRICS should condition Euro bailouts on growth and more say

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As the Eurozone crumbles before them, European leaders are begging for help to bailout Greece and create a facility to insure that the crisis doesn't sweep through Italy, Spain, Portugal and beyond. For the last sixty years the United States would have been the nation to step up and lead with ideas and resources to the rescue. Sadly, the US is nowhere to be found: out of ideas and out of cash. In desperation, Europe has turned to the BRICs. Rather than direct bi-lateral payments, the Brics are starting to say that they prefer to [channel their resources through the IMF](#). Brics shouldn't let this crisis go to waste.

China, Brazil, and India are right to prefer a rescue being channeled through the IMF rather than giving direct payments. But given that they are in the position to write checks, they should condition such an increase in outlays on greater quotas and voting power at the IMF—something they have been pushing for quite a long time. They should also pitch the condition that the Eurozone uses the funds to expand the Eurozone economies rather than to use taxpayer dollars in nations with a combined hundreds of millions of people living below two dollars per day to pay bankers in the upper few tenths of a percent of world income distribution. Saving the Eurozone through growth will come back to emerging markets in terms of demand for their products. Saving the Eurozone for another week through banker bailouts will be money wasted—just look at the July package and the package last week.

Emerging markets know well that conditions can be put on IMF loans. In the case of Brazil and India, the IMF has given loans in the past with far more draconian conditions. These nations learned their lessons, rid themselves from IMF programs, and created macroeconomic and industrial policies that prevented the crisis from severely affecting them. They have the moral and economic upper hand now. They should only lend on that basis: condition bailouts through the IMF only if you get greater say and only if the Eurozone uses the funds for growth, not the rich.