

Various international monetary

Business



ROLE OF INTERNATIONAL MONETARY FUND AND WORLD BANK By Location

Explain the role of the International Monetary Fund (IMF) and World Bank group in the international community

The Bretton Woods Agreement of 1944 laid the basis for the establishment of the World and International Monetary Fund to salvage the declining global economy (Fischer, & Lindgren 2014). Since then, the two bodies have contributed to the growth of the world economy to a great deal, and this stems from the role that the agreement accorded these institutions. The IMF and the World Bank act as intergovernmental pillars that support the structure of the world's financial and economic order. The World Bank, for instance, loans money to both developing and developed countries thus it plays a significant role in improving global economic development. On the contrary, International Monetary Fund ensures that there is international or global monetary corporation since it is a permanent institution that avails the machineries for collaboration and consultation on global monetary or international financial problems.

Do you believe the IMF has helped or hindered international economies in its role? Why or why not

IMF has changed the face of handling monetary issues on a global scale by establishing a permanent institution to take care of the problems (Fischer, & Lindgren 2014). On the other hand, the body is successful in facilitating the expansion as well as ensuring that international trade records a balanced growth. In this case, the body is promoting and maintaining high employment and income levels and has also been responsible the development of proactive resources of the global economies. Besides, IMF is promoting stability in international business exchanges, a role that ensures

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that the international economy does not experience depreciation in competition. In addition, the body has been assisting with the establishment of multilateral payment systems especially in transactions between the member states as a way of eliminating restrictions on foreign exchange that hinder the growth of the international trade. Apart from financial assistance, the IMF offers technical assistance to member countries so as to create as well as implement sound economic, banking, monetary policies, and regulations (Fischer, & Lindgren 2014).

Bibliography

Fischer, S, & Lindgren, CJ 2014, ' Surveillance, international banking standards and the role of the International Monetary Fund', PSL Quarterly Review, vol. 51, no. 204, pp23-34.