

# Good essay about role of the international monetary fund (imf) post-bretton woods...

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The Bretton Woods system is regarded as the most remarkable achievement in the financial management and exchange rate scenario, as it was after the Bretton woods agreement the US- dollar was set as a standard global currency, eventually putting an end to the gold standard system. Two global organizations were also established after the Bretton Woods agreement. They are the World Bank and the International Monetary Fund (IMF). The primary objective behind establishing these two organizations was to monitor the newly established system. Since the United States was the single nation globally that had the ability and power to print dollars, this nation was approved as the predominant power behind these two global organizations as well as the international economy at large.

The IMF played a crucial role in the design and implementation of the Bretton Woods system as this system would not have become a reality without IMF. The reason for stating so is that the various member nations required a mechanism that would bail them out in situations where the value of their domestic currency went too low. A kind of an international central bank was the need of the hour at that time, from which the member countries could borrow money in order to adjust their currency value. In order for this, the member countries decided to offer a fixed pool of gold as well as money to be held at IMF and the same could be borrowed by the member countries when

they need money for adjusting their currency values. Thus, IMF played a very crucial role during the post- Bretton Woods era.

## **Works Cited**

Amadeo, Kimberly. Bretton Woods System and 1944 Agreement - How Bretton Woods Introduced a New World Order. 04 January 2014. 19 November 2014. .