

International Monetary Fund

International Monetary Fund

The International Monetary Fund (IMF) is an international financial institution and a specialized agency of the United Nations, headquartered in Washington, D.C. It consists of 191 member countries, and its stated mission is "working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world." The IMF acts as a lender of last resort to its members experiencing actual or potential balance of payments crises. Established in July 1944 at the Bretton Woods Conference based on the ideas of Harry Dexter White and John Maynard Keynes, the IMF came into formal existence in 1945 with 29 member countries and the goal of reconstructing the international monetary system. For its first three decades, the IMF oversaw the Bretton Woods system of fixed exchange rate arrangements. Following the collapse of this system in 1971, the Fund's role shifted to managing balance-of-payments difficulties and international financial crises, becoming a key institution in the era of globalization. Through a quota system, countries contribute funds to a pool from which they can borrow if they experience balance-of-payments problems; a country's quota also determines its voting power. As a condition for loans, the IMF often requires borrowing countries to undertake policy reforms, known as structural adjustment. The organization also provides technical assistance and economic surveillance of its members' economies. The IMF's loan conditions have been widely criticized for imposing austerity measures that can hinder economic recovery and harm the most vulnerable populations. Critics argue that the Fund's policies limit the economic sovereignty of borrowing nations and that its governance structure is dominated by Western countries, which hold a disproportionate share of voting power. The current managing director and chairperson is Bulgarian economist Kristalina Georgieva, who has held the position since 1 October 2019.