



UNIVERSITY OF THE PEOPLE

POLS-01 GLOBALIZATION - AY2024-T3

LEARNING JOURNAL UNIT 2

INSTRUCTOR: MICHELE SIDONIE MFATCHEU KWETO

The IMF and World Bank provide loans and financing to countries in need. Some people criticize their policies. They say the strict rules that come with loans threaten countries' independence. But others argue the rules aim for accountability. The most accurate description of these organization is reflected through this quote “Founded in 1944, the World Bank Group (WBG, or Bank) and the International Monetary Fund (IMF, or Fund) are twin intergovernmental institutions that are influential in shaping the structure of the world’s development and financial order” (Alvarez, 2019).

I see both sides. The IMF and World Bank want countries to spend responsibly. So, they require certain changes, like cutting spending on things like health and education. This can hurt poor people in those countries. It seems unfair that outside organizations make those rules.

But countries ask the IMF and World Bank for loans. The organizations want to ensure countries repay the loans. So, requiring changes makes sense. Otherwise, countries could just keep overspending and asking for more loans. That would not end poverty.

If I could shape their policies, I would focus more on actual results. I would require transparency about where loan money goes. I would reward countries that spend smart and repay loans through economic growth. I would allow more flexibility on policy demands. The goal should be reducing poverty. Heavy-handed rules often backfire.

There are good arguments on both sides. With thought and care, the IMF and World Bank could craft policies that still ensure responsibility. But also respect countries' rights to choose their own path. I think that a balanced approach would have the best chance of fighting poverty while protecting sovereignty.

All countries need accountability. But forced policies often build resentment. I would advise the organizations to focus more on accountability through transparency, communication, and mutually agreed metrics. Overly harsh demands risk harming the people the loans aim to help. A lighter touch with recipient buys-in has a better chance of lasting success.

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Reference:

Alvarez, I. (2019, June 4). What are the main criticisms of the World Bank and the IMF? - Bretton Woods Project. Bretton Woods Project. <https://www.brettonwoodsproject.org/2019/06/what-are-the-main-criticisms-of-the-world-bank-and-the-imf/>

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