

# ECONOMIC GLOBALIZATION

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# DIMENSIONS OF ECONOMIC GLOBALIZATION

## FINANCE



Steeemit.com

## TRADE



Asiar.gov.au

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# FINANCE



# THE BRETTON WOODS AGREEMENT

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- Year founded: 1944
- Place founded: Bretton Woods, New Hampshire, USA
- Participants: 44 countries
- Result: system of currency fixed exchange rate, the creation of the IMF and the International Bank for Reconstruction and Development (IBRD) now known as the World Bank,

# THE IMF & THE WB

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## INTERNATIONAL MONETARY FUND

The International Monetary Fund, or IMF, promotes international financial stability and monetary cooperation.

It also facilitates international trade, promotes employment and sustainable economic growth, and helps to reduce global poverty.

The IMF is governed by and accountable to its 190 member countries.

[www.imf.org](http://www.imf.org)

## WORLD BANK

Three priorities guide our work with countries to end poverty and boost prosperity for the poorest people.

Helping create sustainable economic growth, the surest path out of poverty.

Investing in people, through access to health care, education, water and sanitation, and energy.

Building resilience to shocks and threats that can roll back decades of progress.

189 member countries

[www.worldbank.org](http://www.worldbank.org)

# THE IMF & WB AT A GLANCE

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## IMF

- Oversees the international monetary system
- Promotes exchange stability and orderly exchange relations among its member countries

## WB

- Seeks to promote the economic development of the world's poorest countries
- Assists developing countries through long-term financing of development projects and programs

# THE IMF & WB AT A GLANCE

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## IMF

- Assists all members—both industrial and developing countries—that find themselves in temporary balance of payments difficulties by providing short-to-medium term credits

## WB

- Provides the poorest developing countries whose per capita GNP is less than \$865 a year special financial assistance through the International Development Association (IDA)

# THE IMF & WB AT A GLANCE

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## IMF

- Supplements the currency reserves of its members through the allocation of SDRs (special drawing rights)

## WB

- Encourages private enterprises in developing countries through its affiliate, the International Finance Corporation (IFC)



# THE IMF & WB AT A GLANCE

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## IMF

- Draws its financial resources principally from the quota subscriptions of its member countries

## WB

- Acquires most of its financial resources by borrowing on the international bond market

# THE IMF & WB AT A GLANCE

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## IMF

- Has at its disposal fully paid-in quotas now totaling about \$ 215b
- Has a staff of 2,300 drawn from its member states

## WB

- Has an authorized capital of \$184b of which members pay in about 10%
- Has a staff of 7,000 from its member countries

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# WB: SOME OF ITS MISSIONS

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- Encourage development of productive facilities and resources in less developed countries
- Funding for productive purposes when private capital cannot be obtained on reasonable terms
- Encourage international investment in order to promote international trade and development and equilibrium in balance of payments
- Help member countries improve their productivity, standard of living and labor conditions