**Economic Globalization**

DIMENSIONS OF ECONOMIC GLOBALIZATION

* Finance
* Trade

**FINANCE**

THE BRETTON WOODS AGREEMENT

1. **Year founded**: 1944
2. **Place founded**: Bretton Woods, New Hampshire, USA
3. **Participants**: 44 countries
4. **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 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

1. Oversees the international monetary system.
2. Promotes exchange stability and orderly exchange relations among its member countries
3. Assists all members—both industrial and developing countries—that find themselves in temporary balance of payments difficulties by providing shortto-medium term credit
4. Supplements the currency reserves of its members through the allocation of SDRs (special drawing rights)
5. Draws its financial resources principally from the quota subscriptions of its member countries
6. Has at its disposal fully paid-in quotas now totaling about $ 215b
7. Has a staff of 2,300 drawn from its member states

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**THE WB**

The 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

1. Seeks to promote the economic development of the world’s poorest countries
2. Assists developing countries through long-term financing of development projects and programs
3. Provides the poorest developing countries whose per capita GNP is less than $865 a year special financial assistance through the International Development Association (IDA)
4. Encourages private enterprises in developing countries through its affiliate, the International Finance Corporation (IFC)
5. Acquires most of its financial resources by borrowing on the international bond market
6. Has an authorized capital of $184b of which members pay in about 10%
7. Has a staff of 7,000 from its member countries

**Missions**

* 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 condition

**TRADE**

* Production
* Selling
* Buying
* Market

**The WTO**

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world’s trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible.

**Essential Functions**

* Administering and implementing the multilateral trade
* agreements that collectively make up the WTO
* Acting as a forum for multilateral trade negotiations
* Seeking to resolve disputes
* Reviewing national trade policies
* Cooperating with other international institutions involved in
* global economic policy making