International organisations and their roles in global finance

Sources:

* p20-22 *Access to Geography: Globalization*
* p30-35 *Access to Geography: Globalization*

# The International Monetary Fund (IMF), the World Bank and the GATT/WTO

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| When and where was the IMF founded? | 1944, conference at Bretton Woods, New Hampshire |
| What was the original role of the World Bank? | To provide money to help reconstruct war-torn countries |
| What was the original role of the IMF? | To ensure a stable world economic climate. It provides funds to countries that need to buy foreign currency reserves in order to maintain its exchange rate. |
| Where does the IMF get its money from? | Contributions from members. |
| Describe the voting of the IMF. | Money = votes. USA has 17% contributions therefore 17% of votes. |
| Give two roles of the IMF. | To give funding to struggling countries, and to renegotiate debt on behalf of nations. |
| What is “structural adjustment”? | Changing the fundamental conditions of the economy to make it more competitive and less likely to return to crisis. |
| *Use Figure 11 p21 for this question.* Describe the criticisms of structural adjustment programmes. | Tighten domestic money; recession; lower demand; supposedly makes countries more able to compete internationally but often downward multiplier effect. Poor and middle income people hit hardest. Government spending on basic needs curtailed. IMF is free-market. |
| What is the full name of the World Bank? | The International Bank for Reconstruction and Development. |
| What does it do? (Give evidence / numbers.) | Provides lending to development projects. |
| What is the IDA and what does it do? | International Development Association; part of the World Bank and lends only to countries that have very low levels of development. |
| What is the World Bank’s role today? | Promotes sustainable development with most aid going to small scale projects; promotion of market economy and insistence on structural adjustment. |
| Give two criticisms of the World Bank. | Loans push nations into further debt; recipients more likely to see a drop in growth than achieve growth. |
| What does GATT stand for? | General Agreement on Tariffs and Trade |
| When was the GATT established and with what objective? | 1947; to gradually lower the barriers to trade with free trade as the conceptual objective. |

# The role of the WTO

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| What does WTO stand for? | World Trade Organisation |
| When did the GATT stop and the WTO begin? | 1st January 1995 |
| What is the difference between the GATT and WTO? | GATT was loosely organised treaty; WTO is a proper international organisation. |
| Give some positive aspects of the GATT/WTO. | Average tariffs 10% of what they were in 1947. Every nation has an equal vote. |
| Give some negative aspects, or some failings, of the WTO. | Failure to stand up to rich nations. |
| Give the main sources of opposition to the WTO. | LEDCS who are ignored; environmental groups concerned about the ecological harm of free trade (e.g. unhindered fishing); labour unions concerned about loss of manufacturing in HICs and violation of workers rights in LICs. |

# Summary

Match the group with the statement.

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| GATT |  | Defunct; a loose treaty that lasted 47 years. |
| WTO |  | Designed to promote international rules of finance that ensure free trade. |
| IMF |  | Emergency fund for countries that are struggling. |
| World Bank |  | Development assistance provided to nations in need. |