

# A-Level Geography Resource Package

[Human >> Global Systems & Governance > 3.2.1.1 Flows In Globalisation]

## Understanding the Role Of The IMF & World Bank

### Key Terms:



**IMF [International Monetary Fund]** > “The IMF is an international organisation which fosters global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth. It regularly uses the World Bank for its resources.”



**World Bank** > “The World Bank is a conglomeration of five international organizations that work through providing loans to developing countries. It is the largest and most well-known development bank in the world and is an observer at the United Nations Development Group.”

i.e. the IMF focuses on policy and global governance whilst the World Bank is more financially independent and acts as a loan provider for LICs.

<b>Name:</b>	International Monetary Fund	World Bank Group
<b>Founded / Headquarters:</b>	1945 Washington, D.C	1944 Washington, D.C
<b>Membership:</b>	189 Countries actively engaged within the IMF. Only small nations and non-recognised states not members.	All 193 UN Nations (& Kosovo) participate at least within one of the five core frameworks of the World Bank.
<b>Role:</b>	<ul style="list-style-type: none"> <li>The IMF has a central role in the management of balance of payments difficulties and international financial crises, particularly in recent events such as the Coronavirus pandemic.</li> <li>Countries contribute funds to a pool through a quota system from which countries experiencing balance of payments problems can borrow money.</li> <li>As of 2016, the fund had about US\$667 billion within. All countries can use this when deemed necessary.</li> </ul>	<ul style="list-style-type: none"> <li>The bank's stated mission is to achieve the twin goals of ending extreme poverty and building shared prosperity.</li> <li>It focuses on human development (e.g. education, health), agriculture and rural development, environmental protection (e.g. pollution reduction, establishing regulations), infrastructure (e.g. roads, urban regeneration, electricity), construction projects, and governance (e.g. anti-corruption) in low income countries.</li> <li>Provided around \$61 billion in loans and grants to "developing" and transition countries in the 2014 fiscal year, mostly within Africa and Asia.</li> <li>Total lending as of 2015 for the last 10 years through Development Policy Financing was approximately \$117 billion, funded by member states.</li> </ul>

### A\* Analysis!

In recent years, public trust in these institutions has been reduced owing to large-scale corruption scandals and issues with poor human rights track records for funding. This has led to two issues – firstly, calls for these ‘American led’ organisations to be scrapped or reorganised fundamentally and secondly it has offered an opportunity for other rising superpowers such as China to set up their massive AIIB [Asia Investment Infrastructure Bank] as competition.

To what extent do you think these dangers will weigh out in the future?

A\*  
Case Study  
Example

