

**B.A HONOURS 4<sup>th</sup> Sem**  
**Paper X**  
**Global Politics**  
**Module. I**

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# International Monetary Fund(IMF)



# IMF

- ▶ **The international monetary fund is an organisation with 189 countries working to foster global monetary cooperation, security financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.**

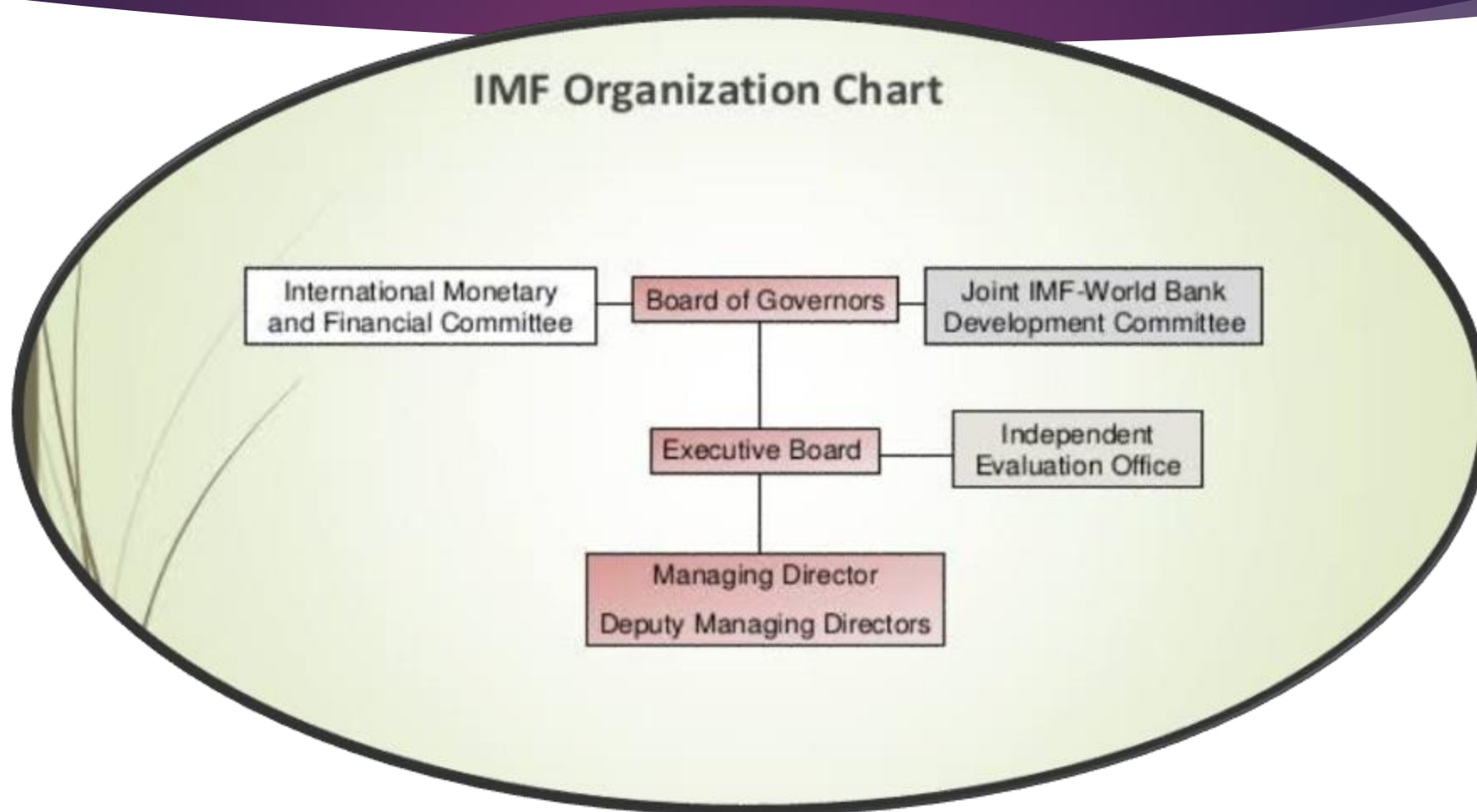
# IMF

- ▶ **Formation** - **27<sup>th</sup> December 1945**
- ▶ **Membership** - **189**
- ▶ **Headquarters** - **Washington DC**
- ▶ **Official Language** - **English**

# Purpose of IMF

- ▶ **Promote international monetary co-operation, facilitate international trade, foster sustainable economic growth, make resources available to members experiencing balance of payments difficulties.**

# Composition of IMF



# Objectives of IMF

- ▶ **i) International Monetary Co-Operation: ...**
- ▶ **(ii) Ensure Exchange Stability: ...**
- ▶ **(iii) Balanced Growth of Trade: ...**
- ▶ **(iv) Eliminate Exchange Control: ...**
- ▶ **(v) Multilateral Trade and Payments: ...**
- ▶ **(vi) Balanced Growth: ...**
- ▶ **(vii) Correction of BOP Maladjustments**

# Functions of IMF

- ▶ **The first and foremost function of IMF is to supervising the international monetary system;**
- ▶ **IMF formulates a specific code of conduct on currency exchange rate policies and provides restrictions on current account transactions;**
- ▶ **It also ensures implementation of its formulated policies by checking its member countries financial health;**
- ▶ **IMF constantly monitors on the balance of the payment system of the member countries and if any imbalances is found, instructs the member countries to set right policy implementation mechanism;**



# Functions of IMF

- ▶ **The International Monetary Fund also formulates different policies in order to achieve sustainable economic growth by generating employment for its developing member countries.**
- ▶ **It has been a continuous endeavour of IMF to comply with its poverty reduction policy as formulated for its developing member countries and as a result, sometimes it has to initiate some debt relief policies;**
- ▶ **IMF strongly prohibits the use of multiple exchange rates in order to remove currency devaluation and ensures implementation of policies on stable exchange rates;**