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Maharaja College
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B.A Economics, Part - II
Paper - 1
Topic : International Monetary Fund (IMF)

International Monetary Fund

Managing Director: Kristalina Georgieva

Chief Economist: Gita Gopinath

Headquarters: Washington, D.C. U.S

Main organ: Board of Governors

Parent organization: United Nations

Membership: 189 countries

Introduction :

The International Monetary Fund (IMF) is an international organization that promotes global economic growth and financial stability, encourages international trade, and reduces poverty. Quotas of member countries are a key determinant of the voting power in IMF decisions. Votes comprise one vote per 100,000 special drawing right (SDR) of quota plus basic votes. SDRS are an international type of monetary reserve currency created by the IMF as a supplement to the existing money reserves of member countries.

The IMF was originally created in 1945 as part of the Bretton Woods agreement, which attempted to encourage international financial cooperation by introducing a system of convertible currencies at fixed exchange rates.

Objectives of IMF :

i. To promote international monetary cooperation through a permanent institution.

ii. To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.

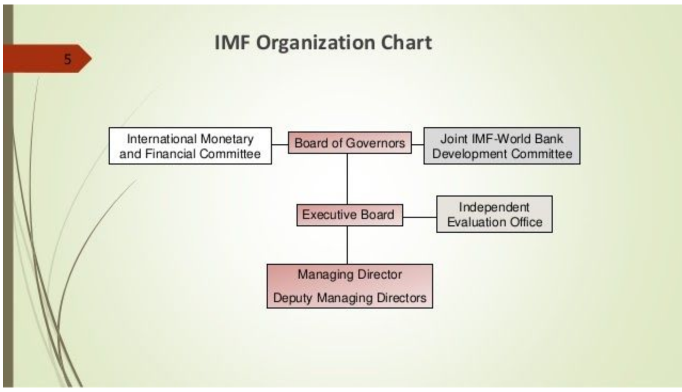
iii. To promote exchange stability, to maintain orderly exchange arrangements among members and to avoid competitive exchange depreciation.

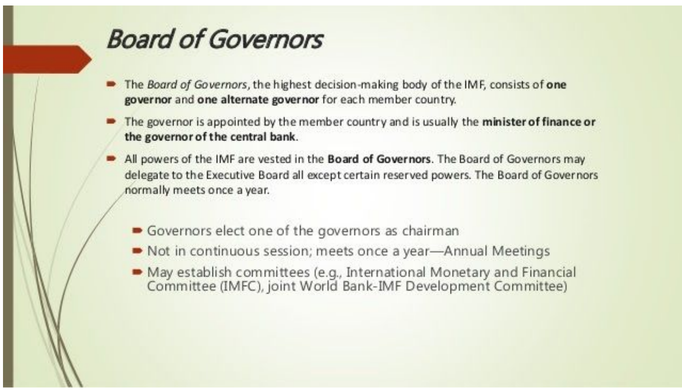
iv. To assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.

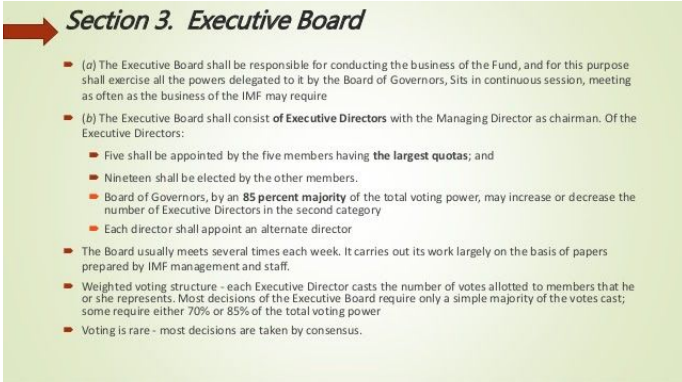
v. To give confidence to members by making the general resources of the Fund temporarily available to them under adequate safeguards, thus providing them with the opportunity to correct maladjustments in their balance of payments.

vi. In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balance of payments of members.

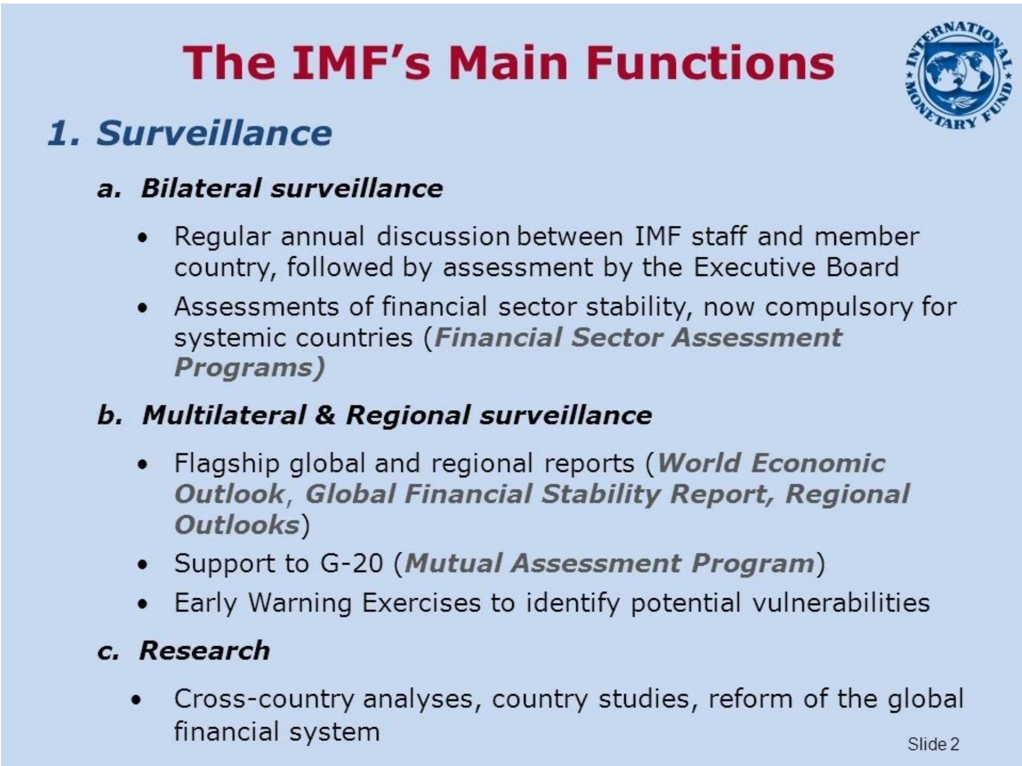
<u>Organisational Structure of IMF;</u>







<u>Main functions of IMF :</u>



References:

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