



MODULE 2

INSTITUTIONAL SUPPORT TO INTERNATIONAL BUSINESS

INTERNATIONAL MONETARY FUND(IMF)

- Year of establishment – Idea was initiated in 1944 at Bretton Woods Conference and formally created on 27th December 1945 with 29 members headquartered at Washington D.C.
- Total members currently – 189
- Prime objective – To assist the countries which were devastated and help in reconstruction of world's international payment system post World War II.

ROLE OF IMF

- Promote international monetary co-operation through consultation on international monetary problems.
- Facilitate expansion and balanced growth of international trade to promote high level of employment and income.
- Promotion of exchange stability.
- Establishment of multi lateral payment system.
- Provide temporary funds to members to correct maladjustments in balance of payments.
- Promote and develop international trade.
- Being a catalyst in convertibility of currencies.

WORLD BANK

- Year of establishment – Idea was initiated in 1944 at Bretton Woods Conference is an international financial institution.
- Total members currently – 189
- Prime objective – Assisting development of member nation's territories, reconstruction of devastated nations suffered by World War II.

ROLE OF WORLD BANK

- Provide long run capital to member countries for economic reconstruction and development.
- Providing guarantee for loans granted to small and large units and other projects of member countries.
- Ensuring implementation of development projects of member nations.
- Promoting capital investment in member nations

INTERNATIONAL LABOUR ORGANISATION(ILO)

- Year of establishment – 1919
- Total members currently – 186
- Location – Geneva, Switzerland
- It is a three party body consisting of representatives of government, employers and workers

Role of ILO

- Full employment and revision of standard of living
- Employment of workers in the occupation of their interest for complete development of skills.
- Facilities for training and transfer of labour including migration and settlement.
- Establishment of minimum wage standard.
- Adequate protection for the life and health of workers in all occupations.
- Provision for child welfare and maternity protection.
- Collaboration of workers and employers in social and economic measures.

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

- Year of establishment – 30th December, 1964
- Total members currently – 195
- Location – Geneva, Switzerland.
- It functions as a forum for intergovernmental deliberations, supported by discussions with experts and exchanges of experience , undertakes research, policy analysis and data collection.

ROLE OF UNCTAD

- Promotion of international trade between developed and underdeveloped nations for economic development and acceleration of development of underdeveloped countries.
- Formulate principles and policies of international trade.
- Negotiate multi national trade agreements.
- Make proposals for implementation of principles and policies.
- Promotion of research , technical collaborations for new trade activity.
- Review and co-ordinate the activities of other institutions.
- Act as a centre for harmonious trade related policies of government and regional economic groupings.

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANISATION (UNIDO)

- Year of establishment – 1967.
- Total members currently – 170
- Location – Geneva Switerland
- It is a co-ordinating body central to the promotion of industrial development
- 3 important domains - Industrial technology co ordinating centre, Industrial co ordination mediation, collection and systemization of information on industrial issues.

ROLE OF UNIDO

- Generate and circulate industry related knowledge.
- Enhance co-operation and establish communication and partnerships.
- Designing of programs to accelerate growth of industry in developing and transition economies.
- Promotion of industrial and technological progress.
- Have most effective use of human resources, development through industrialization, environmental protection and international co-operation.
- Assistance to developing countries.
- Analysing trends.
- Act as a forum for consultation and negotiations to developing countries.

ASIAN DEVELOPMENT BANK (ADB)

- Year of establishment – 19th December, 1966
- Total members currently – 67
- Location – Manila, Phillipines.
- To promote social and economic development in Asia.
- Works for development of countries in regions of Asia and Pacific.
- It is a multi lateral financial institution

ROLE OF ADB

- Promotion of investment of private and public capital for development.
- Make loans and investment available for developing member nations.
- Utilization of resources for financing those development projects which contribute to the development of an entire region.
- Co-ordination of plans and policies of member nations.
- Provision of technical assistance to member nations
- Co-operation with UN and its various members and institutions to invest in developing regions.



WORLD TRADE ORGANISATION (WTO)


INTRODUCTION

- Year of establishment – 1st January 1995.
- Total members currently – 164
- Location – Geneva Switzerland
- The **World Trade Organization (WTO)** is an [intergovernmental organization](#) that is concerned with the regulation of [international trade](#) between nations.
- GATT was replaced by WTO.

PRINCIPLES OF WTO

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2. Transparency
 3. Free trade area
 4. More open.
 5. Reciprocity.
 6. Binding and enforceable commitment
 7. More beneficial for LDC.
 8. Environment protection
 9. Competition principle
 10. Rule based trading

KEY SUBJECTS IN WTO

- Agriculture
- Health and safety measures
- Helping least develop and food importing countries
- Textile and clothing
- TRIPS
- TRIMS
- GATS- general agreement on trade in services



INTEGRATION BETWEEN COUNTRIES

TYPES

- Preferential trade agreement
- Free trade area
- Custom Union
- Common Markets
- Economic Union
- Political Union