

Edexcel Economics A-level  
**Unit 4: The Global Economy**

Topic 6: Measures to Promote Growth  
and Development

**6.4 Role of foreign governments, international  
institutions and non-governmental organisations  
(NGOs)**

Notes



The World Bank and IMF are sometimes called the Bretton Woods Institutions. They aim to provide structure and stability to the world's economic and financial systems.

Almost every country is a member of both institutions. The governments of each member nations own and direct the institutions.

The World Bank mainly focuses on development. The IMF tries to keep payments and receipts between countries logical and ordered.

### **World Bank**

The World Bank can loan funds to member countries, and its aim is to promote economic and social progress by raising productivity and reducing poverty.

The World Bank is involved in several projects globally, such as providing microcredit, supporting education, and helping the rebuilding of countries after earthquakes.

### **International Monetary Fund (IMF)**

The IMF aims to promote monetary cooperation between nations, and monetary problems can be consulted in the institution.

It also aims to help free trade globally, so jobs are supported. The IMF promotes exchange rate stability, and tries to avoid competitive depreciations in the currency.

Members can also borrow from the IMF, such as if they need to correct an imbalance in the balance of payments.

### **NGOs**



NGOs could be funded by governments, firms or private individuals, but they are not part of governments or for-profit businesses. They are voluntary groups which aim to raise the voices of ordinary citizens. Usually, they focus on particular issues such as human rights, healthcare or the environment.

