



An Exclusive Investigation Report on the International Monetary Fund (IMF)'s Impacts on the Current Status of the Climate and International Trade Situations Around the World

Md. Habib Alam*

Chitkara Law School, Chitkara University, Punjab, India
E-mail: drmdhabibalam@gmail.com

Abstract

The International Monetary Fund (IMF) is one of the renowned financial legal entities for providing loans or funding for different projects or programmes to enhance or recover the economic conditions of the world. The evolution of the International Monetary Fund (IMF) may be sketched from the outcome result of the negotiation among allied nations at the July 1944 Bretton Woods Conference after World War Two. The Bretton Woods Conference in 1944 gave rise to both the International Monetary Fund (IMF) and the International Bank for Reconstruction & Development (IBRD). Gradually, both IMF and IBRD merged to shape the World Bank. International Monetary Fund (IMF) well-thought-out to adopt various actions to tackle the situations of COVID-19, climate change, trade barriers and other issues to boost the economic zone of the world. These measures are also essential ingredients to achieve the United Nations Sustainable Development Goals (SDG). This notion is supported by different states and organisations (i.e., The World Trade Organisation) too. This examination paper will examine to what extent the International Monetary Fund (IMF) is keeping its role active as an umbrella to boost the climate and international trade situations within the world.

Key Words: The Bretton Woods Conference, International Monetary Fund, World Trade Organisation, Climate Change, International Trade.

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*Corresponding Author

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1. INTRODUCTION

The abbreviation of IMF means 'The International Monetary Fund'. Practically, IMF is a legal entity or organisation which deals with financing support to different desirable states subject to necessity.¹

The main goal of this legal entity is to achieve sustainable growth and prosperity for IMF member states.² It has other functions, i.e. adopting economic cooperation, boosting the employment sector, promoting 'economic well-being and international monetary cooperation', expansion of 'trade and economic growth', providing financial assistance, assisting capacity building, etc. The IMF is governed by its own rules and accountable to its members for questionable/doubtful issues. To overcome these obstacles, the IMF works with its member states and other international bodies based on collaboration procedures.³

The readers will be acquainted with more details about the functions of the International Monetary Fund (IMF) in the heading 'Functions of the International Monetary Fund'. Before illustrating the roles of the IMF, the readers should be aware of the shaping of the International Monetary Fund (IMF).

In the next session, the readers will be illustrated concerning the origination of the IMF.

2. TRACING OF THE INTERNATIONAL MONETARY FUND (IMF)

To trace the International Monetary Fund (IMF), the readers are required to observe the Bretton Woods Conference.

2.1. Knowing about the Bretton Woods Conference and Its Gradual Exploration

The period between 1879-1931 was termed as the Classics Gold Standard or International Gold Standard. The Economic system of the whole world depended on the gold standard in that period. After World War I, recession evolved during 1920-1930 because of failure to attempt to restore gold and the banking system was in a vulnerable condition. Thus, the exchange rate of gold was high and domination of economic power was shifted from the UK to the USA on that stint.⁴ So, the economic system of the world led to catastrophic conditions on that era.

In 1941, Sumner Wells (United States Under Secretary of State) stated

'Nations have more often than not undertaken economic discriminations and raised up trade barriers with complete disregard for the damaging effects on the trade and livelihood of other peoples, and ironically enough, with similar disregard for the harmful resultant effects upon their export trade.'

¹IMF lending. Website: <https://www.imf.org/en/About/Factsheets/IMF-Lending> (accessed on 11 February 2024)

² As of 27 January 2024, there are 190 members.

³ <https://www.imf.org/en/About/Factsheets/IMF-at-a-Glance> (accessed on 27 January 2024)

⁴ History of international monetary systems, Part 1.

Website: https://www.grips.ac.jp/teacher/oono/hp/lecture_F/lec01.htm (accessed on 1 February 2024)



The resultant misery, bewilderment, and resentment together with other equally pernicious contributing causes, paved the way for the rise of those very dictatorships which have plunged almost the entire world into war'.⁵

After 2nd World War, to overcome the catastrophic economic system, allied nations (i.e. the USA, UK) met together for negotiation at the July 1944 Bretton Woods Conference to keep the international economy stable. Which led to shaping International Monetary Fund (IMF) and the World Bank along with the signing of the General Agreement on Tariffs and Trade at an international conference in Geneva in October 1947. The main goal of this conference was to compromise fluctuations of the tariffs/taxes, currencies, and trading sector according to Atlantic Charter's reflectional thoughts⁶. Many other issues were being considered or led by the Bretton Woods conference, i.e. adopting protectionist economic policies, expansion of international trade, fixation of balancing exchange rates between 'dollars and gold' etc.⁷

The Bretton Woods Conference was shaped to promote international cooperation after the catastrophic situation of World War II and to initiate negotiation of the Charter of the United Nations (UN).⁸

The Bretton Woods Conference is also known as the 'United Nations Monetary and Financial Conference' which may be traced back to the outcome of the Atlantic Conference in 1941. This Conference led to the formation of both the International Monetary Fund (IMF) and the International Bank for Reconstruction & Development (IBRD). Both IMF⁹ and IBRD¹⁰ united to form the World Bank.¹¹

In 1960, the exchange rate of US dollars against gold was observed as overrated and directed to suspension of the "dollar's convertibility into the gold system". That crisis caused to collapse of the Bretton Woods System. However, the IMF initiated fixing the exchange rate in other currencies of different states instead of 'converting dollars into gold' by adopting currency policies, blocs and a monetary union. During 1970-1973, the IMF undertook the challenges to compromise the high price of oil and aided the development of the poor states by introducing

⁵David Palmeter, Petros C. Mavroidis and Niall Meagher. *Dispute settlement in the World Trade Organisation: practice and procedure*. Cambridge University Press(2022), 3rd Edn.pg 1

⁶'...to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity'.

⁷Department of State, United States of America. Office of the Historian. *Bretton Woods-GATT, 1941-1947*. Website: <https://history.state.gov/milestones/1937-1945/bretton-woods> (accessed on 27 January 2024)

⁸David Palmeter, Petros C. Mavroidis and Niall Meagher. *Dispute settlement in the World Trade Organisation: practice and procedure*. Cambridge University Press(2022), 3rd Edn.pg 1

⁹Maintaining the fixing of the exchange rate of 'US dollar and gold' and assistance to economic development for the developed countries.

¹⁰Assisting states to overcome the catastrophic situations after the war and promoting the financial system of developed states.

¹¹Library of Congress: Research Guides. *Bretton Woods Conference & the Birth of the IMF and World Bank*. Website: <https://guides.loc.gov/this-month-in-business-history/july/bretton-woods-conference> (accessed on 29 January 2024)

flexible currency exchange rates, concession financial loan procedures, trust funds, enhancing Structural Adjustment Facility (i.e. to adjust the economic system of a state), etc.¹² These measures were also adopted to compromise the dollar crisis which was encountered throughout 1971.¹³

During 1972-78, the procedure of conversion from fixed to floating exchange rate¹⁴ was observed. To tackle the economic disaster and international debt crisis during 1979 - 1989, the IMF well-thought-out diverse stuff, i.e. adopting a surveillance approach, implementing the strategic plan for 'recovery and development of the economic system', IMF's financial assistance, adopting necessary policies and their implementations, etc.¹⁵ The time 1973 onwards is termed as the flexible exchange rate regime by different scholars because the US dollar remained the principle currency in the international exchange market.¹⁶

To recover from the economic crisis that was initiated in 1971, the IMF considered reform and coordination approaches.¹⁷ Thus, the IMF activated its goings-on along with different trade institutions around the world. These illustrations may be traced from different opinions from different organisations.

The above-mentioned statement is also being supported by the European Parliament. The European Parliament stated ".....the Marrakesh Agreement Establishing the World Trade Organisation [...] [and] the Bretton Woods' institutions, [...] with a view to achieving greater coherence in global economic policymaking".¹⁸

The scholars criticised '.....the International Monetary Fund was to promote international currency stability and the accepted rules on international financial conduct andthe principle initiators.....were the United States of America and Great Britain.....The Bretton Woods

¹² International Monetary Fund. The end of the Bretton Woods System (1972-81).

Website: <https://www.imf.org/external/about/histend.htm> (accessed on 29 January 2024)

¹³ Frank A. Southard, JR. The evolution of the International Monetary Fund. International Finance Section, Department of Economics, Princeton University, Princeton, New Jersey, USA. Website: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://ies.princeton.edu/pdf/E216.pdf> (accessed on 1 February 2024)

¹⁴ From my point of view, at that time, conversion of the exchange rate into different currencies rather than dollar or gold was observed. Because of that, the market value of the exchange rate of the currencies at that time was fluctuated and not stable either.

¹⁵ James M. Boughton, Silent Revolution: The International Monetary Fund (1979-1989). Website: <https://www.imf.org/external/pubs/ft/history/2001/index.htm> (accessed on 1 February 2024)

¹⁶ Centre for Financial and Management Studies. International Finance, Unit 1: evolution of international financial systems. Website: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.soas.ac.uk/sites/default/files/2023-02/M429_unit-01_sample.pdf (accessed on 1 February 2024)

¹⁷ Frank A. Southard, JR. The Evolution of the International Monetary Fund. International Finance Section, Department of Economics, Princeton University, Princeton, New Jersey, USA. Website: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://ies.princeton.edu/pdf/E216.pdf> (accessed on 1 February 2024)

¹⁸ Directorate-General For External Policies, Policy Department, European Parliament. Briefing: the role of the World Bank in international trade policy. Pg 2

institutions were established to shield the developed countries from financial disasters through state intervention....The Bank and the Fund were created for development. There has however been a shift in policies of the Bank and the Fund'.¹⁹

Legal experts opine that the International Monetary Fund (IMF) encirclements the majority voting power of the most economically powerful states in the world. The main objectives are to boost monetary cooperation, secure financial stability, promote international commerce, explore job facilities, sustain economic progress, reduce poverty, 'adopt, monitor and provide financial assistance' to needy states, assist capacity development to achieve Sustainable Development Goals (SDGs), etc. However, some legal experts observed, that sometime measures and polices adopted by IMF may not be appropriate and are placed in forceful conditions.²⁰

For development purposes, on October 12, 2022, IMF shaped the **Resilience and Sustainability Trust (RST)** for tackling 'climate and pandemic obstacles' and maintaining 'longer-term economic and financial stability'.²¹

In the next session, the readers will be provided with an idea about the functions of the International Monetary Fund (IMF).

3. FUNCTIONS OF THE INTERNATIONAL MONETARY FUND (IMF)

The International Monetary Fund has different functions and roles to deal with. Different scholars labeled these protagonists in different arrangements.

The principal roles of the IMF may consist of monitoring exchange arrangements, administration of the foreign exchange rates, emphasis on the code of fair practice, providing financial resources to compromise payments imbalances, utilising funding and promoting friendly relationships among member states.²²

International Monetary Fund (IMF) is denoted as a 'Central Global Financial Institution' to compromise the complexities of the international markets by providing loans or conditional loans and funding, 'conciliatory economic and cross border financial crisis', reducing poverty, boosting employment rate through exploring job markets, acting as an 'Emergency Financial Backup' for

¹⁹ Diya Kapur and Gaurav Talwar, *The Bretton Woods Institutions*. NLSIU Bangalore-Student Advocate (SA). (1997). Pg 1-3

²⁰ International Monetary Fund (IMF). Website: <https://www.drishtias.com/important-institutions/drishti-specials-important-institutions-international-institution/international-monetary-fund-imf> (accessed on 30 January 2024)

²¹ IMF Press Release No. PR22/348. IMF managing director Kristalina Georgieva announces the operationalisation of the Resilience and Sustainability Trust (RST) to help vulnerable countries meet long-term challenges. Website: <https://www.imf.org/en/News/Articles/2022/10/12/pr22348-md-announces-operationalization-of-rst> (accessed on 31 January 2024)

²² Frank A. Southard, JR. *The evolution of the International Monetary Fund*. International Finance Section, Department of Economics, Princeton University, Princeton, New Jersey, USA. Website: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://ies.princeton.edu/pdf/E216.pdf> (accessed on 1 February 2024)

vulnerable economic states, assisting both lender and borrower country for payment issues, acting as a catalyst for attracting funds from other sources, facilitating structural economic reforms which include different amenities²³, providing concession on loans based on poverty reduction strategy, adopting policies for recovering from bankruptcy or debt circumstances, etc.²⁴

According to Article 1 of the Articles of Agreement of the International Monetary Fund (IMF), the purposes of the IMF are to boost international monetary cooperation, exploration of international trade, and international transactions in good faith, utilise resources to overcome the barriers of the economic conditions, the concept of 'balancing and equalities application' in the international balances of payment among its members.²⁵

As per International Monetary Fund's handbook, the main functions of the IMF are 'surveillance over members' economic policies, financing temporary balance of payment needs, combating poverty in low-income countries, mobilising external financing, strengthening the international monetary system, increasing the global supply of international reserves, building capacity through technical assistance and training, dissemination of information and research'.²⁶

To overcome the different states, IMF adopts different policies to confront the state of affairs. For example, because of COVID-19, conflict 'between Russia and Ukraine' and other issues. International Monetary Fund championed different dealings to normalise both monetary and fiscal circumstances. Thus, IMF (as of April 2023) promoted 'monetary and fiscal monitoring procedures' to compromise inflation on public 'finances and household budgets', reducing debts, introducing job opportunities, etc.²⁷

According to the IMF's official website, the IMF has mainly three main purposes to boost international financial stability through policy advice, financial assistance and capacity development mechanisms.²⁸

Besides the Pandemic and economic catastrophic states, the world is also suffering from climate calamity.

²³ Short-term Liquidity Facility (SLF), Temporary-term Liquidity Facility (TLF), Long-term Liquidity Facility (LLF) and Flexible Credit Line (FCL) for tackling crisis prevention, Enhanced Structural Adjustment Facility (ESAF), Poverty Reduction and Growth Facility (PRGF).

²⁴ Mark S. Copelovitch, *The International Monetary Fund in the global economy :banks, bonds, and bailouts.* Cambridge University Press (2010), 1st edn. Pg 1-28

²⁵ Articles of Agreement of the International Monetary Fund. Website: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.imf.org/external/pubs/ft/aa/pdf/aa.pdf (accessed on 7 February 2024)

²⁶ Bernhard Fritz-Krockow Parmeshwar Ramlogan, *International Monetary Fund Handbook: Its functions, policies, and operations.* International Monetary Fund (2007). Website: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.imf.org/external/pubs/ft/imf/hb/eng/handbook.pdf (accessed on 7 February 2024)

²⁷ International Monetary Fund. *Fiscal monitor on the path to policy normalisation (April 2023).* Website: file:///C:/Users/DR%20MD%20HABIB%20ALAM/Downloads/text.pdf (accessed on 7 February 2024).

²⁸ International Monetary Fund. *What does the IMF do?* Website: https://www.imf.org/en/About/Factsheets/IMF-at-a-Glance (accessed on 7 February 2024)

Nelson stated “We have seen a flood of funds, investors and corporates doing ESG investments and a rise in the inclusion of so-called 'ESG clauses' in debt documentation. Several global megatrends are shaping this development, including **the climate crisis**, evolving regulation and growing investor demand, and we expect this trend to continue”.²⁹

To overcome these conditions of the climate crisis within the earth, different institutions and states considered different phases both in domestic and international jurisdictions. The auxiliary statements will be to be found below.

According to UK Export Finance ‘As an export credit agency, we are in a unique position to support both domestic and international climate aims; our support realises economic opportunities for the UK and can facilitate our international partners in their transitions to lower carbon economies. Our Climate Change Strategy outline shows we will make our support to UK exporters and suppliers consistent with this commitment’.³⁰

A more recent illustration was provided by the United Nations. UN’s Climate Change News, 14 November 2023, it was endorsed ‘...governments combined are taking baby steps to avert the climate crisis It’s time to show the massive benefits now of bolder climate action: more jobs, higher wages, economic growth, opportunity and stability, less pollution and better health’.³¹

From my point of view, to improve the situation of climate change around the world, the different institutions may consider different policies. For Example, the International Monetary Fund (IMF) may adopt different measures and mechanisms to tackle the climate crisis around the world.

In the next session, the readers will be exemplified with an idea about the IMF's role in climate change in the earth.

4. IMPACTS OF THE INTERNATIONAL MONETARY FUND (IMF) ON THE CLIMATE CHANGE

From my point of view, the IMF is required to contribute to boosting the climate condition of the earth to maintain a balance between mankind and nature.

During 2011 and 2020, greenhouse gas emissions increased and the earth became more warming. These emissions increasingly impacted climate change and led to extremely vulnerable weather conditions. To overcome this situation, the United Nations initiated different strategies³² with

²⁹ Nimit Dixit, The offshore view. Asian Legal Business (2023). Pg. 4

³⁰ UK Export Finance, Climate Change Strategy 2021-2024 (September 2021). Website: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://assets.publishing.service.gov.uk/media/6148b3ffe90e070438c9463d/UKEF_Climate_Change_Strategy_2021.pdf (accessed on 7 February 2024)

³¹ United Nations Climate Change. New analysis of national climate plans: insufficient progress made, COP28 must set the stage for immediate action. Website: https://unfccc.int/news/new-analysis-of-national-climate-plans-insufficient-progress-made-cop28-must-set-stage-for-immediate (accessed on 7 February 2024)

³² Prevention of further warming, lowering the emissions, monitoring greenhouse gas emission,

various organisations³³ under its Sustainable Development Goals (SDG) to cover every person on the earth within 2027 through early warning services. These notions were also supported by Petteri Taalas (Secretary General of the World Meteorological Organisation or WMO as of 2023).³⁴

Vitor Gaspar (Director of the Fiscal Affairs Department as of April 2023) stated '...One crucial argument comes from the fact that the countries that contribute least to global warming are the most vulnerable. Climate change is the topic of the forthcoming October 2023 Fiscal Monitor....'.³⁵

The above statement was supported by different experts and institutions. According to the United Nations Development Programme '...there were more conflicts worldwide in 2023 than in any single year since World War III.....2023 investment in renewable energy outpaced those in fossil fuels for the first time, reaching \$2.8. trillion...2023 is set to be the warmest year on record andwill likely make 2024 even hotter'.³⁶

Prime Minister Narendra Modi stated 'Today, we do not need to fight for our survival - our era need not be one of war. Indeed, it must not be one,... Today, the greatest challenges we face - climate change, terrorism, and pandemics - can be solved not by fighting each other, but only by acting together'.³⁷

Scholars argued to overcome climate change issues and the trade sector should be boosted up parallelly. In the next session, the readers will be acquitted with the impact of the trade sector on improving climate change disaster.

From the World Trade Organisation's framework, climate change is a global environmental challenge and requires collective resolving initiatives by considering different trials³⁸. The policies on trade are not expressly included in the WTO's agreements. However, to reach the Sustainable Development Goals (SDG), the World Trade Organisation should adopt measures that are

³³ The United Nations Early Warnings for All (EW4A) , the United Nations Office for Disaster Risk Reduction (UNDRR), the International Federation of Red Cross and Red Crescent Societies (IFRC) and the International Telecommunication Union (ITU).

³⁴ World Meteorological Organisation, WMO-No. 1338, The Global Climate 2011-2022: a decade of accelerating climate change. Website: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://library.wmo.int/viewer/68585/download?file=1338_Decadal_State_Climate-HG_en.pdf&type=pdf&navigator=1 (accessed on 8 February 2024)

³⁵ International Monetary Fund. Fiscal monitor on the path to policy normalisation (April 2023). Website: <file:///C:/Users/DR%20MD%20HABIB%20ALAM/Downloads/text.pdf> (accessed on 7 February 2024)

³⁶ 2024 UNDP trends report: the landscape of development. Website: <https://www.undp.org/future-development/publications/2024-undp-trends-report-landscape-development> (accessed on 9 February 2024)

³⁷ 'Modi urges unity on greatest challenges as India assumes G20 presidency'. Reuters (December 1, 2022).Website: <https://www.reuters.com/world/india/modi-urges-unity-greatest-challenges-india-assumes-g20-presidency-2022-12-01/> (accessed on 11 February 2024)

³⁸ Adopting trade policies to tackle climate catastrophic situations, reducing the emission of carbon, and concentrating on a green environment.

transparent, fit-for-purpose, without any discrimination based on the negotiation among the WTO's members.³⁹

The climate change-related measures are increasingly being shaped by the WTO members. Because of this trend of change, the WTO members are also adopting trade-related measures to support climate change-related movements.⁴⁰

Dr Ngozi Okonjo-Iweala (Director General of the WTO as of 9 February 2024) opines climate change is a dangerous issue for humankind and the trade sector. Dr Ngozi emphasised on 're-globalisation' along with the development of trade and the green or clean energy arena.⁴¹

Dr Ngozi Okonjo-Iweala further stated 'The well-being of people is dependent upon the well-being of our planet, and trade can play an important role here (...) By connecting people and markets, trade helps lower costs and disseminate new environmental technologies. Trade can make resource use more efficient, reducing the strain on our ecosystems. New trade rules can help our economies become greener, cleaner, more prosperous, and more inclusive'.⁴²

To overcome these encounters, the International Monetary Fund(IMF)is considering different tasks, i.e. adopting policies, 'macroeconomic, bilateral and multilateral surveillance systems', capacity development, cooperation with other institutions, carbon adjustment, providing private climate financing, investments and management of the greenhouse projects, collecting data, Financial Stability Assessment Program (FSAP), capacity development, 'Resilience and Sustainability Trust', 'green innovation and technology diffusion', fossil fuel subsidies, adopting 'climate change and fiscal policies', climate-related investments, etc.⁴³

From the above statement, the readers acknowledged an idea of how IMF's contributions to the climate sector are enlightening to overcome the recent climate worsening situations.

From my point of view, the readers may also consider that both the trade sector and climate sector are linked to improving the situations of both climate and trade segments' fluctuations. So, the international trade sector is an important weapon to boost the economic system of the world. Thus, the IMF cannot avoid its obligations to advance the international trade sector.

In the next session, I will illustrate to the readers the link between the International Monetary Fund (IMF) and international trade.

³⁹ World Trade Organisation: trade and climate change. Website: https://www.wto.org/english/tratop_e/envir_e/climate_intro_e.htm (accessed on 9 February 2024)

⁴⁰ World Trade Organisation. Trade and climate change: overview of trade policies adopted to address climate change. Website: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.wto.org/english/tratop_e/envir_e/cop27_e/info_brief1_e.pdf (accessed on 9 February 2024)

⁴¹ World Trade Organisation. World Trade Report 2022: climate change and international trade. Website: https://www.wto.org/english/res_e/publications_e/wtr22_e.htm (accessed on 9 February 2024)

⁴² World Trade Organisation: trade and climate change. Website: https://www.wto.org/english/tratop_e/envir_e/climate_intro_e.htm (accessed on 9 February 2024)

⁴³ International Monetary Fund: climate change. Website: <https://www.imf.org/en/Topics/climate-change> (accessed on 9 February 2024)

5. CLOSEST CONNECTION TEST BETWEEN THE INTERNATIONAL MONETARY FUND (IMF) AND THE INTERNATIONAL TRADE

According to the International Monetary Fund (IMF)'s website, it is pointed out 'The IMF has three critical missions: furthering international monetary cooperation, encouraging the expansion of trade and economic growth, and discouraging policies that would harm prosperity. To fulfill these missions, IMF member countries work collaboratively with each other and with other international bodies'.⁴⁴

From the above statement, the readers may be observed that there is a link between the IMF and international trade for the compromise 'the poverty and hunger' and 'development of the economic system of world'.

From the 'poverty and hunger' context, this notion was supported in a United Nations Summit which was held in September 2000. In that Summit, the UN General Assembly acknowledged:

'We will spare no effort to free our fellow men, women, and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want'.⁴⁵

From my point of view, from the above statement, it may be asserted that to overcome the poverty and hunger conditions⁴⁶, the economic system of the earth should be promoted. Thus, the IMF should provide funding to develop the economic system of the world by contributing to the international trade arena. Both IMF and international trade may work combinedly to boost the economic system of the world community to tackle the challenges of recovering poverty and hunger conditions.

PM Shri Narendra Modi illustrated 'trade has led to the exchange of ideas, cultures, and technology while also bringing people closer throughout history. Trade and globalisation have also lifted hundreds of millions out of extreme poverty'.⁴⁷

From the international trade perspective, international trade laws are an essential part of promoting the international trade community too.

According to the Oxford Handbook of International Trade Law 'in the current era of fundamental uncertainty about world health and economic ordering, disenchantment with the WTO, the lack of political leadership in the major economic powers, and destructive approaches on the part of

⁴⁴ International Monetary Fund. What does the IMF do? Website: <https://www.imf.org/en/About/Factsheets/IMF-at-a-Glance> (accessed on 7 February 2024)

⁴⁵ Peter Van den Bossche and Werner Zdouc. The law and policy of the World Trade Organisation: text, cases and materials. Cambridge University Press (2006). 3rd Edn. Pg 1

⁴⁶ This is known as Goal 2 (Zero Hunger) for creating a world free of hunger by 2030. This is a part of the Sustainable Development Goals scheme of the United Nations. Website: <https://www.un.org/sustainabledevelopment/hunger/> (accessed on 5 February 2024)

⁴⁷ PM Narendra Modi's address at the G20 meeting of trade and investment ministers. Website: <https://www.narendramodi.in/prime-minister-narendra-modis-address-at-the-g20-meeting-of-trade-and-investment-ministers-573219> (accessed on 11 February 2024)

some, and the re-emergence of military conflict in Europe, it is difficult to make any reliable assessment of the future of international trade regulations.....the future of international trade regulation will depend in large part upon the way global trade develops'.⁴⁸

The role of the World Trade Organisation cannot be avoided for the promotion of international trade. Scholars viewed 'Under the rules-based international trading system centered in the WTO, trade policies have become more stable, more transparent, and more open. And the WTO is a key reason why the global financial crisis did not spark widespread protectionism. However, as seen most recently with the Doha Round of WTO trade negotiations, the institution faces big challenges in reaching agreements to open global trade further. Despite successes, restrictive and discriminatory trade policies remain common'.⁴⁹

IMF, OECD, World Bank and WTO suggested the World Trade Organisation requires reforms and more attentiveness should be focused on subsidies and international cooperation.⁵⁰

As of March 27, 2023, the IMF emphasised adopting open, stable and transparent measures for boosting trade by compromising the obstacles. The cooperation between IMF (i.e. providing funding) and WTO is an essential ingredient to develop the economic condition of the world and to achieve a strong multilateral trade system.⁵¹

The International Monetary Fund (IMF) thought about different measures⁵² to overcome the current challenges of the economic disaster of the world. The main key reforms for the development of international trade depend on trade protectionism attitudes and trade liberalisation. Trade liberalisation is an essential part of boosting international trade. As per the empirical evidence '.. trade liberalisation is an effective policy option to limit the raise of market power and its implications'.⁵³

According to IMF Working Paper WP/21/74, the necessary steps should be considered to advance international trade through trade integration increase growth, development of the agriculture sector, provide fisheries subsidies, preservative of fish stocks, improve 'e-trade and

⁴⁸ Daniel Bethlehem, Donald McRAE, Rodney Neufeld and Isabelle Van Damme. The Oxford Handbook of International Trade Law. Oxford University Press (2022).2nd Edn. Pg 25-27

⁴⁹ Brad McDonald. International trade: commerce among nations. <https://www.imf.org/en/Publications/fandd/issues/Series/Back-to-Basics/Trade> (accessed on 10 February 2024)

⁵⁰ Subsidies, Trade, and International Cooperation (2022/001). Website:https://www.wto.org/english/res_e/publications_e/sub_trade_coop_e.htm (accessed on 10 February 2024)

⁵¹ International Monetary Fund. IMF policy paper: review of the role of trade in the work of the fund. Website: <https://www.imf.org/en/Publications/Policy-Papers/Issues/2023/04/03/Review-of-the-Role-of-Trade-in-the-Work-of-the-Fund-531177?cid=pr-com-PPEA2023013> (accessed on 10 February 2024)

⁵² Trade liberalisation, improving domestic market power, focusing on the economic system of Africa, lowering trade barriers, trade reforms, etc.

⁵³ Jesus Gonzalez-Garcia and Yuanchen Yang. IMF working paper: international trade and corporate market power. Website: <https://www.imf.org/en/Publications/WP/Issues/2020/07/17/International-Trade-and-Corporate-Market-Power-49565> (accessed on 11 February 2024)

services', easily accessible to international markets trade, improving export and import mechanism, boosting labour markets and improving socio-economic conditions, improving 'living standard and employment opportunity', adopting regional policies, etc.⁵⁴

From my point of view, to implement the above-mentioned actions, the IMF is assisting the states or institutions through various funding and loans with or without concession procedures or conditions subject to policies or jurisdictional capabilities of the IMF.

6. CONCLUSION

On August 24, 2023, in a G20 meeting, PM Narendra Modi suggested "we embarked on journey of 'Reform, Perform, and Transform' in 2014...to adopt the ethos of '**Zero defect**' and '**Zero Effect**' on the environment. It is the **collective responsibility of G20 members** as One Family to **restore confidence in international trade and investment processes**. He expressed confidence that the working group will move forward collectively to ensure the global trading system gradually transitions into a more representative and inclusive future".⁵⁵ This statement is supported by different states, world leaders, organisations (WTO⁵⁶ and United Nations⁵⁷).

From my point of view, the goal of boosting international trade and climate improvement around the world may not have been achieved its fruitful result without assistance from the International Monetary Fund (IMF) through funding, providing loans, adopting projects and other gateways.⁵⁸

⁵⁴ Marc Bacchetta, Valerie Cerra, Roberta Piermartini, and Maartern Smeets. IMF working paper :trade and inclusive growth. Website: <https://www.imf.org/en/Publications/WP/Issues/2021/03/12/Trade-and-Inclusive-Growth-50158> (accessed on 11 February 2024)

⁵⁵ PM Narendra Modi's address at the G20 meeting of trade and investment ministers. Website: <https://www.narendramodi.in/prime-minister-narendra-modis-address-at-the-g20-meeting-of-trade-and-investment-ministers-573219> (accessed on 11 February 2024)

⁵⁶ Trade and climate change. Website: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.wto.org/english/res_e/booksp_e/anrep_e/ar23_spotlight_trade-climate-change_e.pdf (accessed on 11 February 2023)

⁵⁷ UNCTD. Prosperity for all: climate change. Website: <https://unctad.org/topic/trade-and-environment/climate-change> (accessed on 11 February 2024)

⁵⁸ IMF blog :world needs more policy ambition, private funds, and innovation to meet climate goals. Website: <https://www.imf.org/en/Blogs/Articles/2023/11/27/world-needs-more-policy-ambition-private-funds-and-innovation-to-meet-climate-goals> (accessed on 11 February 2024)

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