

TOPIC: INTRODUCTION TO WORLD BANK AND UNCTAD

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World Bank

The World Bank Group is the world's foremost source of funding as well as a repository of knowledge for low-income countries. The World Bank was one of two major international institutions established during the Bretton Woods Conference in 1944. The World Bank's mission is to aid developing countries and their inhabitants to achieve development and reduce poverty.

Functions of the World Bank

- It helps the war-devasted countries by granting those loans for reconstruction.
- Thus, they provide extensive experience and the financial resources of the bank help the poor countries increase their economic growth, reducing poverty and a better standard of living.
- Also, it helps the underdeveloped countries by granting development loans.
- So, it also provides loans to various governments for irrigation, agriculture, water supply, health, education, etc.
- It promotes foreign investments to other organizations by guaranteeing the loans.
- Also, the World Bank provides economic, monetary, and technical advice to the member countries for any of their projects.
- Thus, it encourages the development of industries in underdeveloped countries by introducing the various economic reforms.

Objectives of the World Bank

- This includes providing long term capital to its member nations for economic development and reconstruction.
- Thus, it helps in inducing long term capital for improving the balance of payments and thereby balancing international trade.
- Also, it helps by providing guarantees against loans granted to large and small units and other projects for the member nations.
- So, it ensures that the development projects are implemented. Thus, it brings a sense of transparency for a nation from war-time to a peaceful economy.
- Also, it promotes the capital investment for member nations by providing a guarantee for capital investment and loans.
- So, if the capital investment is not available then it provides the guarantee and then IBRD provides loans for promotional activities on specific conditions.

Purposes of the World Bank

- It wants to create an environment that is a pro-investment.
- Also, it wants to improve the omic stability by reducing poverty.
- So, it is working towards achieving sustainable growth.
- Increasing the opportunities for jobs and business in member nations which are underdeveloped.
- Through investment, it plans to promote the socio-economic status of the society.
- Also, it wants to ensure that the judicial and legal systems are developed and individual rights are protected.
- Strengthening the government of its member nations by promoting education.
- Combating corruption and to ensure that there are adequate training opportunities and research facilities.
- It wants to provide loans with low-interest rates and interest-free credits.

United Nations Conference on Trade and Development (UNCTAD)

The United Nations General Assembly is the parent organisation of the United Nations Conference on Trade and Development (UNCTAD). Moreover, UNCTAD is a permanent body of the United Nations.

United Nations Conference for Trade and Development (UNCTAD) deals with trade issues, investments and other matters concerning development. United Nations Conference Trade and Development goals are:

1. The development opportunities, investments and trade of developing countries are to be maximized.
2. The efforts of developing countries to integrate into the world economy on an equitable basis would be assisted by UNCTAD.

UNCTAD Objectives

Framing policies in various domains such as trade, technology, finance, aid, and transport is the most important priority of UNCTAD. Geneva is the permanent secretariat of UNCTAD and the conference ordinarily meets once in four years.

UNCTAD collects data and conducts research and analyses policies.

UNCTAD, with its work in the national and global levels, aims to help countries to:

1. Understand options to address macro-level development challenges.
2. Acquire beneficial integration into the international trading system.
3. Reduce the dependency on commodities by diversifying the economies.
4. Decrease their exposure to debt and financial volatility.
5. Increase development-friendliness by attracting more investments.
6. Increase technologies related to the digital domain.
7. Give more thrust to innovation and entrepreneurship.
8. Aid local firms to move up value chains.
9. Facilitate the flow of goods across borders.
10. Prevent consumer abuse.
11. Competition should not be stifled, hence any concerned regulations would be cross-checked.
12. Effectively utilise natural resources that would help in adapting to climate change.