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Part - I, Paper - II

Topic - Achievements &  
Failures of IMF

### ACHIEVEMENTS OF IMF:

The IMF has been quite successful & it is working quite successful in many fields.

The main achievements of IMF are:-

1. The IMF has provided an excellent forum for the discussion & solution of the economic, fiscal & financial problems having an international aspect.
2. It has promoted the expansion of international trade in a variety of ways to the mutual benefits of the member countries.
3. It has promoted exchange stability.
4. It has simplified to some extent the multiple exchange system.
5. The Fund has been instrumental in promoting steady progress towards the establishment of a multilateral system of payments in respect of current transactions.
6. The Fund has shown greater interest in the economic growth of less developed countries (LDCs).

### FAILURES OF IMF:

Various achievements of IMF does not imply that all is well with the Fund. On the contrary the actual functioning of IMF suffers from many failures. Important among them are;

- (i) The Fund was unable to tackle the immediate postwar economic problems affecting its members.
- (ii) The Fund followed a passive & weakened policy in the fixation of exchange rates both initially and subsequently.

3. The insistence on devaluation in some cases as a cure of disequilibrium in BOP. was not well advised.
4. It is said to have granted undue credit to certain countries without making sure of their <sup>credit</sup> worthiness.
5. The Fund has been charged as being partial to the developed countries and not helping adequately the developing countries.