

Functions of WTO, IMF, World Bank, and UNCTAD.

Elboyev Otajon Polvonquliyevich

3-year student of The University of World Economy and Diplomacy

otajonelboyev2005@gmail.com

Annotation: This article provides an in-depth analysis of the key functions of major global economic institutions, including the World Trade Organization (WTO), International Monetary Fund (IMF), World Bank, and the United Nations Conference on Trade and Development (UNCTAD). It explores how these organizations contribute to international trade, economic stability, poverty reduction, and sustainable development. The WTO is highlighted for its role in promoting free trade and resolving trade disputes, while the IMF focuses on financial stability and providing monetary support to member countries. The World Bank's efforts in funding development projects and reducing poverty are examined, along with UNCTAD's focus on integrating developing countries into the global economy. This article serves as a comprehensive guide for understanding the complementary roles these institutions play in fostering global economic cooperation.

Key words: international trade, sustainable development, GDP, monetary policy, debt relief, economic integration.

Nowadays, global organizations play a crucial role when it comes to shaping and managing the economic activities and policies that control international trade, finance, and development as we are now living in an increasingly interconnected and globalized world. Today, four key institutions - the World Trade Organization (WTO), the International Monetary Fund (IMF), the World Bank, and the United Nations Conference on Trade and Development (UNCTAD) - stand at the forefront of these efforts and therefore have a great impact on nearly all countries global trade. While each of these organizations has a unique function, their purpose is the same because they have a shared commitment to establishing international economic cooperation, reducing inequality in both developing and developed nations, and ensuring sustainable development around the world. From setting trade rules in order to provide financial assistance and promote equal global trade, they all work to maintain the stability and growth of the global economy. In this research paper the functions of these institutions are explored, methods they use to address diverse challenges, facilitate global collaboration, and contribute to a balanced and prosperous international economic system are explained as well.

First of all, WTO has to be discussed as our country, Uzbekistan, is trying to be a member country of this economic institution. World Trade Organization is considered

as the largest global economic organization on earth, because it has more than 160 member countries that make up about 98% of global GDP and more than 20 countries are trying to join the WTO¹. Regarding its history, the WTO was established on 1 January 1995, however, its trading system is half a century older. Since 1948, the General Agreement on Tariffs and Trade (GATT) had provided the rules for the system. The last and largest GATT round, was the Uruguay Round which lasted between 1986 and 1994 and led to the creation of WTO. Whereas GATT had mainly dealt with trade in goods, tangible products, the WTO and its agreements now cover trade in services, and in traded inventions, creations and designs (intellectual property). It has several functions, but there are four most important key ones. First and foremost, WTO aims to create international trade by reducing trade barriers. China's entry to WTO is a case in point, because before entering China did not have a full access to the global market as it has today. Secondly, it acts as a forum for trade negotiations and dispute resolution. For instance, US vs. EU dispute on Aircraft Subsidies, Boeing against Airbus. This long-running case was resolved through the WTO's Dispute Settlement Body². The WTO determined both parties had not obeyed rules, and ultimately established a settlement in 2021. Next function is monitoring and ensuring compliance with trade agreements. The WTO always controls and checks member states' trade policies through its Trade Policy Review Mechanism (TPRM). For instance, in its 2021 review of China³, the WTO assessed the country's compliance with WTO commitments, particularly in intellectual property and market access. Last and the most important one is its function of assisting developing countries through trade capacity-building programs. The Enhanced Integrated Framework (EIF) which is supported by the WTO, helps least-developed countries integrate into global trade systems. For example, in Rwanda⁴, the EIF funded projects to improve coffee exports, directly boosting the livelihoods of local farmers. The WTO operates according to the tasks mentioned above so that it can significantly contribute to the development of world economy.

Another global financial institution is IMF, International Monetary Fund which was established in 1944 in the aftermath of the Great Depression of the 1930s. The IMF is now capable of lending about \$1 trillion to its 191 member countries⁵. It has a number of different and important functions. Firstly, it provides financial assistance and loans to countries facing problems with maintaining balance in their financial

¹ https://www.wto.org/english/thewto_e/thewto_e.htm

² <https://www.cnbc.com/2021/06/15/us-and-eu-truce-boeing-airbus-dispute.html#:~:text=The%20United%20States%20and%20European,from%20the%20Boeing%20%2DAirbus%20dispute.>

³ https://www.wto.org/english/tratop_e/tpr_e/tp515_e.htm

⁴ <https://www.enhancedif.org/en/country-profile/rwanda#:~:text=EIF%20is%20working%20to%20improve,of%20which%2074%25%20are%20women.>

⁵ <https://www.imf.org/en/About>

systems. For example, it helped Greece during the 2008 financial crisis. Other functions are monitoring global economic trends and providing policy advice and offering capacity development through training and technical assistance. For instance, IMF's Article IV consultations⁶ with countries offer recommendations on monetary policy, its advice to Brazil regarding inflation control in 2021 is a good illustration.

When it comes to World Bank, it was established at the same time when IMF was set up. At first, they were known collectively as the Bretton Woods Institutions, the International Monetary Fund (IMF) and the World Bank were founded by the delegates of 44 countries in July 1944 in order to improve the economies of their member nations⁷. Regarding its main tasks, first of all, it provides long-term loans and grants to support infrastructure, education, healthcare, and poverty reduction projects around the world. For example, The World Bank funded the Kenya Electricity Expansion Project⁸, which provided electricity to more than 1.3 million people. This can be a good illustration to its function of supporting infrastructure projects to promote development. Secondly, it is offering not only financial, but also technical expertise to developing countries. Bangladesh Education Development Project can be a really good example, because The World Bank offered both financial support and expertise to help improve the quality primary education, and helped this country with achieving higher enrollment rates and better learning outcomes. Moreover, like other organizations, it is trying to promote sustainable development and environmental protection worldwide. For example, the Clean Energy Project in Morocco, which supported the construction of the Noor Ouarzazate Solar Power Plant, and this is one of the largest solar plants in the world. By funding this project, it helped to reduce reliance on fossil fuels while at the same time creating employment opportunities for local people. Other than these, World Bank supported a lot of projects worldwide as well.

The United Nations Conference on Trade and Development (UNCTAD) which was established in 1964, aims to address and mitigate the trade and development challenges of developing nations, focusing on equal growth and reducing inequalities between developed and developing countries. It has several functions and one of its key functions is conducting detailed research and analysis, exemplified by its annual Trade and Development Report, which, in the 1980s, highlighted the impact of the Latin American debt crisis and advocated for debt relief policies to stabilize economies⁹. UNCTAD also provides policy recommendations, such as supporting the establishment of the African Continental Free Trade Area (AfCFTA), which fosters

⁶ <https://www.oliveboard.in/blog/international-economic-institutions/>

⁷ https://humanjourney.us/economy/aid-ending-global-poverty/multilateral-and-bilateral-aid/?gad_source=1

⁸ [https://documents.worldbank.org/en/publication/documents-reports/documentdetail/225551467995646673/kenya-electricity-expansion-project-additional-financing#:~:text=Kenya%202D%20Electricity%20Expansion%20Project%20%3A%20additional%20financing%20\(English\),%20Durban%2C%20and%20rural%20areas.](https://documents.worldbank.org/en/publication/documents-reports/documentdetail/225551467995646673/kenya-electricity-expansion-project-additional-financing#:~:text=Kenya%202D%20Electricity%20Expansion%20Project%20%3A%20additional%20financing%20(English),%20Durban%2C%20and%20rural%20areas.)

⁹ <https://quickonomics.com/terms/united-nations-conference-on-trade-and-development/>

intra-African trade and regional economic integration¹⁰. Additionally, it also aids countries with integrating into the global economy through initiatives like the e-Trade for All program, which has enhanced e-commerce capacities in nations such as Cambodia and Rwanda¹¹. These efforts show UNCTAD's focus on increase the phase of sustainable development and closing the gap between developed and developing economies¹².

In conclusion, the World Trade Organization (WTO), International Monetary Fund (IMF), World Bank, and United Nations Conference on Trade and Development (UNCTAD) together form the backbone of global economic control. While each organization has its own distinct role such as regulating trade, stabilizing financial systems, fostering development and equal trade, they have a same vision and mission of promoting economic stability and growth. Nowadays, in a world which is having difficulties such as economic inequality, poverty, climate change, and geopolitical problems, the roles of these institutions are more critical than ever. Their collaboration helps us to make sure that nations, especially those with limited resources, are not left ignored in the global economy. As the global economy evolves, the continued efforts and ongoing activities of these institutions will be crucial when it comes to shaping a more equal and sustainable future, fostering global collaboration, and tackling the complex challenges which are being caused by globalization. Therefore, their work serves as a reminder of the importance of a collaborative action in achieving shared prosperity and peace.

References:

1. https://www.wto.org/english/thewto_e/thewto_e.htm.
2. Jahon iqtisodiyoti va xalqaro iqtisodiy munosabatlar [Matn]: darslik / N.S. Ismailova, U.U. Shagzatov. — Toshkent: Noshir nashriyoti, 2019. - 320 b.
3. <https://www.cnbc.com/2021/06/15/us-and-eu-truce-boeing-airbus-dispute.html#:~:text=The%20United%20States%20and%20European,from%20the%20Boeing%20%2DAirbus%20dispute>.
4. Avaz Alimov, Elyor Maxmudov, Namozali Xaydarov Jahon iqtisodiyoti va xalqaro iqtisodiy munosabatlar / Oliy o'quv yurtlari talabalari uchun darslik /- Toshkent: "Zilol buloq nashriyoti", 2020 yil, 432 bet.
5. https://www.wto.org/english/tratop_e/tpr_e/tp515_e.htm.
6. <https://www.enhancedif.org/en/country-profile/rwanda#:~:text=EIF%20is%20working%20to%20improve,of%20which%2074%25%20are%20women>.

¹⁰ <https://quickeconomics.com/terms/united-nations-conference-on-trade-and-development/>

¹¹ <https://www.economicsdiscussion.net/unctad/unctad-organisation-functions-and-meetings-economics/30512>

¹² <https://unctad.org/news/un-trade-and-development-pioneering-global-economic-and-development-thoughtdecades>

7. Q.A.Isayev. Xalqaro iqtisodiyot. Darslik -T.:” INNOVATSION RIVOJLANISH NASHRIYOT – MATBAA UYI” – 2021, 376 bet.
8. <https://www.imf.org/en/About>.
9. <https://www.oliveboard.in/blog/international-economic-institutions/>
10. https://humanjourney.us/economy/aid-ending-global-poverty/multilateral-and-bilateral-aid/?gad_source=1.
11. Vahabov A.V. Jahon iqtisodiyoti va xalqaro iqtisodiy munosabatlar: darslik /A.V. Vaxabov, D.A. Tadjibayeva, Sh.X. Xajibakiyev. — Toshkent: Baktria press, 2015. — 584 b.
12. [https://documents.worldbank.org/en/publication/documents-reports/documentdetail/225551467995646673/kenya-electricity-expansion-project-additionalfinancing#:~:text=Kenya%20%2D%20Electricity%20Expansion%20Project%20%3A%20additional%20financing%20\(English\),%20Durban%2C%20and%20rural%20areas](https://documents.worldbank.org/en/publication/documents-reports/documentdetail/225551467995646673/kenya-electricity-expansion-project-additionalfinancing#:~:text=Kenya%20%2D%20Electricity%20Expansion%20Project%20%3A%20additional%20financing%20(English),%20Durban%2C%20and%20rural%20areas).
13. <https://quickeconomics.com/terms/united-nations-conference-on-trade-and-development/>.
14. <https://www.economicsdiscussion.net/unctad/unctad-organisation-functions-and-meetings-economics/30512>.
15. <https://unctad.org/news/un-trade-and-development-pioneering-global-economic-and-development-thoughtdecades>.