

Topic page:

International Monetary Fund

(IMF), specialized agency of the United Nations, established in 1945. It was planned at the Bretton Woods Conference (1944), and its headquarters are in Washington, D.C. There is close collaboration between it and the [International Bank for Reconstruction and Development](#). The organization, using a fund subscribed by the member nations, purchases foreign currencies on application from its members so as to discharge international indebtedness and stabilize exchange rates. The IMF currency reserve units are called [Special Drawing Rights](#) (SDRs); from 1974 to 1980 the value of SDRs was based on the currencies of 16 leading trading nations. Since 1980 it has been reevaluated every five years and based on the relative international economic importance of the British pound sterling, the European Union euro (formerly the French franc and German mark), the Japanese yen, and the U.S. dollar. To facilitate international trade and reduce inequities in exchange, the fund has limited power to set the par value of currencies. Members are provided with technical assistance in making monetary transactions. In 1995 the fund moved to increase disclosure requirements of countries borrowing money and at the same time created an emergency bailout fund for countries in financial crisis. IMF was criticized in 1998 for exacerbating the Asian financial crisis, through the fund's decision to require Asian nations to raise their interest rates to record levels. The fund is ruled by a board of governors, with one representative from each nation. The board of governors elects an executive board of some 20 representatives to conduct regular operations. There are 185 members in the IMF.

See studies by H. G. Grubel (1970), T. Agmon et al., ed. (1984); R. D. Hormats (1987), and T. Ferguson(1988).

Definition

International Monetary Fund from *Chambers 21st Century Dictionary*

noun: (abbreviation **IMF**) an international financial organization set up to promote trade by keeping currencies stable and having a fund of money from which member states may borrow.



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[International Monetary Fund](#). (2008). In *The Columbia Encyclopedia*. Retrieved from http://www.credoreference.com/topic/international_monetary_fund/

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The Columbia Encyclopedia, s.v. "[International Monetary Fund](#)," accessed May 22, 2012, http://www.credoreference.com/topic/international_monetary_fund/

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"[International Monetary Fund](#)." *The Columbia Encyclopedia*. New York: Columbia University Press, 2008. *Credo Reference*. Web. 22 May 2012.