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Historical Perspective of International Monetary Fund and Economic Development in Third World: Nigerian Example

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ABSTRACT: This paper titled historical perspective of the international monetary fund IMF and economic development in third world countries aims at explaining the role of IMF in the economic development strive in the third world countries. Problems of economic development in the third world countries are unresolved and continually mounting. It is assumed that the international monetary fund will have played prominent role with its policies and programmes to cushion these pressing matters in the third world. It is also thought that the IMF should have played vital role in solving matters of economic development facing third world countries. The IMF uses the schemes of devaluation, privatization, liberalization, and deregulation among others in alleged attempts to help the third world countries. Instead of bringing succor to the third world countries, the IMF through their policies and programmes have injected greater hardship and have increased poverty even in Nigeria. The paper found that the international monetary fund have not healed the economic matters facing the third world. The paper insists that the balance of payment problems in connection to the trade relations between the developed countries and the third world countries including Nigeria is lopsided to the detriment of the third world countries. The paper posits that the acclaimed IMF assistance programmes does not reflect the realities of the remote and local beneficiary countries. To ameliorate the difficulties faced by the developing countries restructuring the international monetary and financial system is recommended so as to enable the third world countries have access to foreign exchange. The theoretical framework of analysis adopted in this research is the Marxian political economy approach and the other used to analyze the idea behind present lopsided world relations is the system theory.

Key Words: Devaluation of currencies, International financial system, Economic development, Deregulation, Structural Adjustment Programme (SAP)

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I. BACKGROUND

According to Wallace (1992:36), in global economic relations there have been production, distribution, employment, environmental, financial and debt crisis especially between the developed economies and the third world countries. This led to the establishment of a number of institutions to manage these crises situations in international economic relations. One of such institutions is the International Monetary Fund (IMF) set up to effectively manage the global financial crisis especially the balance of payments problems of member countries. In the assessment of the role of IMF in the Third World economic relationships, it is argued that the policies of IMF and tts programmes have been beneficial to the countries in developed countries but detrimental to the third world countries in the global economic divide. The chief reason is linked to the stringent conditions in advancing credits to the third world countries. The paper examines the origin of the IMF, conditions and the effects on the Third World countries especially Nigeria.

Focusing on the global economic relations, it is observed that most of the Third World countries were integrated into the global capitalist economy during the colonial period of which the third world countries were made to be suppliers of raw materials to the industries in Europe as the developed economies. Nwoke (1988), explained that these weak nations were characterized by strong commitment to liberal democratic political values, sustained economic growth and technological progress. According to Akindele and Ate (1988) almost full employment, transformed and flexible economic systems and international economic, financial and military power of the world capitalist system today was structured by the capitalist West to primarily serve the interest of the developed countries. This is why since independence till now, the economy of the Third World countries has largely been dependent on foreign trade, essentially as a source of natural resources or primary products and cheap labour, and market for manufactured products for the capitalist first world. This explains why Frank (1969) conceptualized this unequal economic relationship as “centre-periphery” relationship.

According to Wallace (1992:48) the emergence of Saudi Arabia and Taiwan, South Korea as high-income oil exporting nations NICs make the international system more complex and dynamic. Wallace observes that the shifts in economic power makes the USA and many European nations feel vulnerable and have adopted protectionist trade policies which restricts imports than favour global free trade. He explained further that the third World nations dependent upon foreign trade to finance their development invariably became causalities of such measures. It is added that these dependent weak third world countries are equally disposed to maintain relational trade dependence strategies such as system of preferences and the discriminatory financial and monetary policies of the developed world. In addition there is the distorted commodity structure of the foreign trade of Third World states, for which they export few primary products and import wide range of manufactured products from the developed world. The impact of the distorted structure of exports makes the balance of payments and the foreign exchange position of the Third World country defenceless against the cyclical changes of the world market (Akindele and Ate, 1988).

There are dimensions of the domination and exploitation of the Third World by the advanced market economies. First is the foreign direct investment in the Third World, which allows for the outflow of profits from the periphery to the metropolitan states. These recapitalization processes of foreign investment, which frustrates domestic accumulation and nurtures external dependence, exist because the centre-periphery systems are based on inequality (Fann and Hodges, 1971:141). Finally, it has been observed that foreign aid from the developed nations to the Third World is also a dimension to international economic relations. He explained that this also create dependency problems because of the strings and conditions usually attached before giving out such aid. Foreign economic assistance to the Third World usually coordinated by the IMF or World Bank under their different programmes also concentrates on one or a group of market-economy sources. This creates room for manipulation, management and decision-making from outside (Akindele and Ate, 1988).

History of the International Monetary Fund

Europe was devastated in the: political, social and economic spheres during the Second World War. The overwhelming notable destruction affected social services such as transport, health, infrastructure and majorly security. As noted by Cameron (1989:19), became clearer before the end of the war that the cost of reconstruction would be enormous. This was particularly glaring because of the lingering memories of the economic distress of the 1930s. Due to the anticipation of the victory of the Allied Forces in World War II, efforts towards planning the post war economy were made vigorously. Cameron further explained that the level of international planning for the post war begun during the war itself. He revealed that as early as August 1941, in their dramatic meeting on board a battleship in the North Atlantic witnessed Franklin D. Roosevelt and Winston Churchill sign the Atlantic Charter. In this singular step, the world leaders pledged the intentions of their countries to undertake the restoration of a multilateral world trading system in place of the bilateralism of the 1930s.

Subsequently, in 1944, in an international conference at the New Hampshire Resort of Bretton Woods, in which the American and British delegates played the leading roles, the bases were laid for two major international institutions, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD), known as World Bank. The IMF was to have the specific responsibility of managing the structure of exchange rates among the various world currencies, and including financing short-term imbalances of payments among countries (Cameron, 1989:22). Cameron observed that the IMF did not become operational until 1946 for logistic reasons. In the end, a foundation was laid for rebuilding the world economy. Ojo explained that each member country contributes its quota and this helped establish their voting and borrowing rights (Ojo, 1995). At present the IMF has about 184 member nations and as Ojo explained the member countries are eligible to borrow. However, repayments of loans must be made in gold or convertible currencies.

Objectives of IMF

The decision making body of the International Monetary Fund is made up of Board of Governors and Directors. The objectives of IMF are stated as follows:

1. To promote co-operation in monetary matters among member countries.
2. To promote exchange rate stability of member countries.
3. To establish a system which facilitates payments for goods traded among nations and also to eliminate restrictions on the use of foreign exchange; and
4. To provide short term credit to member countries in balance of payments problem.

These objectives are to serve as a guide to the operation of the Fund. It has become clearer that in the discharge of its functions the IMF is highly dominated by the developed economies to the detriment of the developing countries (Spero, 1977:92, Arabic News.com, 2002).

The Effects of IMF conditions on Nigeria

In a sense analysts stated that in line with the established objectives of the IMF it can be adjudged to have played significant role in harmonizing contractions in the global economic system. In the opposite however, it is observed that the IMF has continually negatively impacted on the Third World countries and that this is evident in the IMF fund's relations with Nigeria. One of the objectives of the IMF is to make short-term credit available to member countries in balance of payments problems. The Fund has facilitated credits from western donor nations to Third World nations and has coordinated necessary interest charges on these credit facilities. However, Nwoke (1988) maintained that, for such short-term credits to Third World countries that have balance of payments problems, and of long-term development loans, IMF and World Bank generally impose stringent conditionalities on the Third World borrowers. These conditionalities, such as devaluation, desubsidisation, privatization, liberalization, deregulation, etc, serve to open up the countries for further penetration by the trade investment of rich capitalist countries.

According to Akindele and Ate, (1988), it is argued that third World countries that fail to comply with these directives are denied not only loans from these institutions but also credit from private channels or bilateral aid programmes. For example, the USA has used her influential position in IMF to block loans to needing countries. Nicaragua in June 1987 was denied about US $163 million dollars in loan through undue (Akindele and Ate, 1988). Wallace opined that the “stock of cure” of IMF to Third World's problems is to require drastic reductions in state expenditure and an all-out effort to expand exports. The industrialized western nations have cut their demand for commodity imports from Third World nations with the resultant fall in prices thereby compounding the financial difficulties of these states. According to him, the typical effects of IMF adjustment measures in the 1980s have been a strong pressure on incomes and wages, drastic reductions in human capital development or expenditures on health, education, etc. (ASUU, 2002:16-26), Following are the squeezing out of investment in non-export-oriented industry, formal-sector job losses and a severe shrinkage of consumption.

The Nigerian experience with the IMF since 1986 during the introduction of the Structural Adjustment Programme (SAP) is a perfect reference point. In the operation of IM, monetary cooperation and exchange stabilization among member countries means measuring domestic currencies of Third World countries with the currencies of the developed nations and then devaluing the Third World countries against the advanced countries particularly, the US dollar. The Nigerian Naira which was 75 kobo to 1 dollar in second republic (1979 -1983) was drastically devalued in 1986 with the adoption of SAP under President Banbangida. This has remained all time low against the United States dollar and British pounds. Presently, it is N 365.00 and above to the United States dollar and British pounds. The devaluation of the currencies of the third world countries against the United States dollar is the most central demand and conditionality of all IMF assistance programmes in Third World nations. Jerry (2001:3) ascribed the American dollar to be a “Time Bomb” for the Third World nations meaning that using it in measuring their currencies is tantamount to be willing to give up their countries in. exchange for dollars.

Akindele and Ate insist that the United States government recommended as part of the IMF SAP agenda the Second-tier Foreign Exchange Market (SFEM) for Nigeria. They asserted that since 1981 the U.S. government had been reluctant to support Nigeria's application to the IMF for a stand-by until Nigeria accepted the Fund's conditionalities. They further pointed out that the introduction of SFEM effectively devalued the naira between 66 and 75 percent, and from June 1986 SAP became the focus of Nigeria-US-bilateral economic diplomacy, thus putting an end to the ambivalence that marked their relations under the Shagari and Buhari regimes. Accordingly, it follows that a new state of affairs was satisfactory to the United States authorization as the United States Ambassador, Lyman explained.

The effects of the devaluation remains enormous as scholars have pointed out. For instance, Bright Ekuerhare observed that SFEM did not bring about meaningful export promotion in the industrial sector because the prices of products were competitive, that the prices of Nigeria industrial products compared to other similar products elsewhere were higher due to higher rate of exchange through SFEM. It was further stressed that the major beneficiaries of SFEM were the transnational corporations (TNCs) whose positions were consolidated because of their financial capacity. Omotayo (1989:97) observed that this made the indigenous firms collapse because of the inability to raise fund for their operations. Aaron Gana similarly, observed that the devaluation of the naira as a result of the eased avenue for foreigners to invest more in the country. The result thereby further intensified the process of the exploitation of the Nigerian economy. Moreso, because of the devaluation of the naira, the country's debt burden was aggravated. It was therefore concluded that SAP and SFEM, because of their inevitable failures, are impregnated with elements of social observable dysfunctions (Omotayo, 1989).

Eskor Toyo posits that IMF devaluation policy through SAP and SFEM is incompatible with real economic development in Nigeria. According to him, though SAP and SFEM encouraged the interest of the private sector, they are not directly related to the enhancement of the standard of living of the people, especially that of the rural farmers (Omotayo, 1989). He noted that one of the cornerstones of IMF's SAP and SFEM scheme is the promotion of exports, but the middlemen rather than the rural farmers have reaped the benefits. To him, what is more ominous is that unemployment has been aggravated as a result of the contraction of industries in the wake of SFEM. Therefore, he argued, these schemes are not about economic development in Nigeria but are imperialist device to direct attention to settlement of external debt. Olukoshi maintains that IMF and World Bank are institutions which use their SAP and SFEM programmes as a strategy for maintaining Nigeria in the periphery of World capitalism. To him, privatization and commercialization (being programmes encouraged by the IMF) are not absolute means of ensuring efficiency and profitability.

It is argued that privatization would merely lead to the increase in the preponderance and profit maximization of the private sector and widen the gap between the rich and the poor in the third world countries Omotayo (1989) and (Onimode, 1989:228-230). In this line of argument, Hilary Ben, a United Kingdom (UK) based policy analyst accused IMF and World Bank of encouraging policies and programmes in Africa that perpetuate poverty, and pleaded with the British government to dissociate itself from such evil policies (BBC, 2006). Also, Otive Igbuzor, Action Aid Country Director Nigeria, in a BBC interview asserts that, IMF and World Bank neo-liberal policy of privatization cause hardship and increase poverty in Nigeria, hence he pleaded for alternative policies to improve the living conditions of the people (BBC, 2007).

Comrade I. Aremu contends that the implementation of IMF programme has been characterized by massive retrenchment of workers in all sectors of the Nigerian economy and that the standard of living of the people has fallen to the lowest level in history because of the ever rising rate of inflation. IMF adjustment programmes are irrelevant to Nigeria's economic development and should be abandoned for more realistic approach with “human face”, for economic development. According to Ambassador Ola Sanu, in a book launch, titled Foreign Policy in Nigeria's Democratic

Transition, speaking on "IMF policies and programmes, globalization harm Nigeria", posited that, IMF policies and programmes have driven the country into abject poverty and mass unemployment (The Guardian, 2005: p3). ASUU observed the whole matter of IMF relations with Nigeria as setting the stage for continuing the pauperization of Nigerian masses, lowering industrialization and under-utilization of industrial capacity in the Nigerian economy, trade liberalization which implies the restriction of Nigeria to primary production.

Ambassador Sanu, argued that, Nigeria appears to be moving but actually it is standing still. He added that, the country has been cowed by adversity and surrounded by poverty such that, "it has accepted hardship as a way of life" (the Guardian, 2005:3). In addition, ASUU claimed that IMF and World Bank officials have taken over the process of supervising budget preparation and approval in Nigeria to assert their influence and control on public spending. They consider all forms of foreign loan facilities coming from IMF and associated multilateral agencies as having conditions that worsen the economic crisis and potent tool for decolonization of Nigeria through the control of social and economic policies (ASUU, 2002:17-28). Foreign aid, to them, lead to political interference in the recipient countries. The Third World's voting strength in the Bretton Woods institutions (IMF and World Bank) is less than one third of the total, and their numerical strength in the UN General Assembly has provided no real influence so far on international economic matters. So, in the present centre- periphery system of the international economic system, Third World countries are not even allowed to sit as equals around the bargaining tables of the world. According to Jerry, (2001:6) the debt crises in the Third World were caused by the IMF and the World Bank, who give loans to these nations and allow the money that would have been used for the people's welfare in providing infrastructure, education, medical facilities, etc to be siphoned out of these nations to the advanced economies, yet they continued to charge high interests on the loans. He further revealed that the IMF and World Bank do not try to help any country that has no resources, for example, oil, labour or raw materials that the donor nations want.

On its objectives of establishing a system which facilities payments for goods traded among nations and also eliminate restrictions on the use of foreign exchange, the IMF has not been able to do this effectively. There are clear evidence of various forms of trade restrictions, especially as the United States dollar remains high against currencies of the Third World countries and the obvious restriction or high tariff imposed on Third World's products in the West. This is not to mention the unequal volume of trade between the developed and the developing countries. The unbalanced trade relations and its effects was what prompted the clamour for a New International Economic Order (NIEO) by the Third World countries since the 1964 Geneva Conference on trade and development, which established the United Nations Conference on Trade and Development (UNCTAD) (Willetts, 1981:73).

As Ola Sanu noted, IMF, World Bank and World Trade organization have only enabled Western countries to push poor countries to eliminate trade barriers, while the Western countries kept their own. This therefore, has prevented the developing countries from harnessing their own agricultural products needed to earn money for development projects (The Guardian, 2005:3). The IMF policy guidelines for trade coordination among member nations are strict and bias against the Third World countries. This principle even worsens the conditions of the Third World countries. From the Third World there have been calls for more flexible guideline policies of the IMF and the establishment of a new International Bank that can substitute the IMF with the aim to supporting development schemes of Third World countries. (Arabic News. Com, 2002:4). At the 10th Session of UNCTAD conference the IMF was advised to be flexible in imposing control measures on the financial and market systems of the poor countries.

Theoretical Framework

The analytical framework adopted in this research is the political economy approach as postulated by Karl Marx. The Marxian political economy approach provided alternatives to both realism and liberalism. Marx focused on the inequalities between the rich and poor in society and the tendency for the wealthy, more powerful classes to exploit the poorer, weaker ones. Marxists view international relations as an extension of the struggle between the classes, with wealthy countries exploiting poorer, weaker states. Marxists mainly study imperialism, the practice of stronger nations to control or influence weaker nations. They look at the unfair and exploitative aspects of relationships between the world's rich and poor nations. This Marxist approach is rooted in the theory of imperialism developed by Vladimir Lenin just before the 1917 Communist revolution in Russia. Marxists tend to see economic relationships as both the cause of and potential solution to the problem of war.

Political economy is viewed by Karl Marx as the study of laws that govern the production, distribution, exchange, and consumption of material values in the society at different stages of its development (Abalkin, 1983). Political economy studies the economic system of social production, the economic basis of the society, the basis of all political and philosophical, ideological and judicial, aesthetical and other views and convictions. Political economy looks at the material conditions of man and society as the basis for understanding, determining and analyzing the superstructure. This approach sees the society as made up of antagonistic economic interests. It explains that economic positions determines social life, values and thought, observing that identical economic interest combine to form social classes where by political machinery is controlled.

Some Marxist scholars like Ake (1981) explains that political economy places economic structure above political structure and exposes the clash of interests. It is understood here that man must first eat before thinking of other things. This is why Ihonvbere (1982) reasoned that political economy is an appropriate approach to the study of foreign relations. According to Amale (2002) the existing international studies literature, especially as it concerns foreign and local economic policy issues ignores the plight of underdeveloped countries. The political economy approach is appropriate for it provides the framework for understanding some of the theoretical problems in use by scholars. This is why Schneider (1974) in support of Hindes (1977) espoused the primacy of economic conditions as they impact on human life and society. Political economy has a multi-disciplinary approach. It takes care of the overlapping character of economics and politics as well as the class cleavages which facilitate an understanding of state policies on the domestic and foreign scenes.

The drive for primitive accumulation as postulated by Marx clearly explains the reasons for the American inability to show respect to age long resolutions and international rules. The American boldness to threaten the United Nations over funding and operations of the IMF indicates the attempt to forcefully influence perceived weaker nations who are the beneficiaries of the loans to support the United States controversial unilateral decision on the conditions for assistance is made clearer with political economy approach and of which tended to satisfy the American and other western capitalist selfish interests first.

Another relevant and credible framework to analyze these ideas behind present lopsided world relations is the system theory. The system theory examines relationships which exist among interacting units according to established rules. Scholars studying international relationships look at the world as a system of nations that interact according to a set of properly defined and long established rules. They call this system the interstate system. The rules of the system govern how nations treat each other. The rules are based on common understandings of the rights of a nation. For example, according to the traditions of the interstate system, one nation should not infringe upon another nation's rightful territory or interfere in another nation's internal affairs. Many of these rules were codified in the Peace of Westphalia, which ended the Thirty Years' War (1618-1648) in Europe. The system evolved because nations realized it was in their best interest to develop basic ground rules for dealing with each other in the absence of a central authority that could set and enforce rules worldwide. The lack of a central authority is the most important characteristic of the interstate system. It has meant that nations must look out for themselves first and has shaped the way they relate to each other. They cannot rely on any higher power to enforce the rules or make sure other nations play fairly. Instead, they must enforce the rules by themselves or form alliances with other nations and collectively enforce them. The rules are also enforced by the power of world censure.

One of the most important rules of the interstate system is that nations should respect each other's internationally recognized boundaries. Almost all of the world's land falls under the control of existing nations except the Antarctica. Under the interstate system, no nation has the right to invade or take over another's territory or interfere with the actions of a government within its own territory. But defining the borders of a territory is more complicated than it may first appear. For example, many of today's borders resulted from wars in which winners expanded their rule by taking territory from losers. Some nations have borders that were imposed upon them by another nation that colonized them before they gained independence. These borders can create many problems. They can create oddly shaped nations that lack ports or other resources. They can also split up previously existing nations or ethnic groups so that they are in different nations. This division has become a major source of conflict and war. A nation is considered a member of the international system if other nations recognize the authority of its government. Other nations can formally extend this recognition by establishing diplomatic relations with that nation. A nation can also become recognized by being admitted as a member of the UN. Recognition does not imply that a government has popular support, only that it controls the territory within its borders and has agreed to assume the nation's obligations in the international system. These obligations include respecting the internationally recognized borders of other nations, assuming the international debts of the previous government, and not interfering in the internal affairs of other nations.

The nations themselves are the most important actors in international relations. A nation is a territory with a defined border and a government that answers to no higher authority than its own. All or part of the population shares a group identity, often based on a combination of common ancestry, language, or culture. In 1997 there were 186 recognized nations in the world. There also are a number of political entities sometimes thought of as nations. These include territories that function independently, such as Taiwan, which is officially considered a province of China; colonies, such as Martinique; and nations that are not yet recognized, such as Palestine. Also included in this list is Vatican City, which does not fit into any of these categories. Nations vary in size and power. From the United States with a $7 trillion economy and China with more than 1 billion people to nations with fewer than 100,000 people, such as Andorra and Greenland. Size and power are two important variables in determining a nation's relationships with other countries and its influence in international affairs. The handfuls of the most powerful nations that control most of the world's military and economic strength are called great powers. The great powers include the United States, Great Britain, Russia (formerly the Soviet Union), France, China, Germany, and Japan. These powers are the most important actors in international relations.

Before the development of the modern interstate system, people were organized into more mixed and overlapping political units, such as city-states, empires, and feudal fiefs. The modern interstate system arose in Europe, beginning after about AD 1500, when France and Austria emerged as powerful nations. The system grew to encompass the European continent over several centuries, although it long coexisted with other systems such as the Holy Roman Empire. With the colonization of much of the rest of the world by European nations, the European idea of nations was exported globally. After European colonies in Africa and Asia began to win their independence, they also aspired to become recognized as nations in the international system. Today, the legal basis for the universal application of these principles is the charter of the UN. The UN charter, adopted in 1945, explicitly recognizes the central principles of the interstate system. The participants in international relations, often called actors, have a great influence on the relationships between nations and on world affairs. The major participants include the nations themselves, the leaders of those nations, sub-state actors transnational actors operating in more than one country and international organizations.

II. CONCLUSION

The IMF was established in 1944 during the Second World War. The chief reason was to tackle economic problems in the post-war global economic system. The Third World countries, most of which became independent after the Second World War were thereafter integrated into the global capitalist economic system by their colonial masters. These weak nations were forcefully made to serve as sources of raw materials and primary products for the industries in Europe. This status has not changed up till date. The objectives of the IMF include promotion of monetary cooperation among member states, exchange rate stabilization, trade facilitation and provision of credit to member states imbalance of payments problems. In the implementation of these objectives, particularly in its relations with the Third World countries, the IMF has imposed stringent conditionalities such as deregulation, liberalization and devaluation of which have grossly and negatively impacted on the socio-economic development of the Third World. The relationship between the developed and the developing nations is such that the advanced and stronger partner determine or influence the terms of exchange (such as volume of trade, price relations and point of time) according to its own interest uses this form of dependence in order to exert pressure upon the dependent. They do this to the weak countries when trying a trade blackmail tactic, to influence the economic policy or even the foreign policy of the Third World country concerned (Szentes, 1983).

The decision making body of the International Monetary Fund is made up of Board of Governors and Directors. The objectives of IMF clearly stated were not followed for implementation. There is failure to promote co-operation in monetary matters among member countries and the promotion of exchange rate stability of member countries not observed. The establishment of a system which will facilitate payments for goods traded among nations has been neglected, noting that elimination of restrictions on the use of foreign exchange has not been demonstrated. Above all the provision of short term credit to member countries with balance of payments problem was never carried out. This is why there is a clamour for the enthronement of a new international economic order that would guarantee true globalization believed to mutually be of benefit to third world countries.

III. RECOMMENDATIONS

It is stated that for IMF to effectively play its role in the development of the third world, the following recommendations are imperative.

1. The global financial system should be restructured so as to mitigate the difficulties faced by developing nations in accessing foreign exchange.
2. In this regard the IMF should refrain from being used by the developed countries to exploit the third world, particularly in the criminal devaluation of their currencies.
3. Just as IMF is enforcing market liberalization in the third world, it should cause the developed economies to open their markets to goods and services from the developing countries. In other words, IMF should cause the advanced capitalist economies to remove all forms of protection that is prevalent in the trade relationship between the developed and developing countries. Simply put, the Fund should encourage the institutionalization of a New International Economic Order (NIEO).
4. The IMF should genuinely and honestly support development policies and programmes in sub Saharan Africa (SSA) countries that would improve the living conditions of the people. Aid programmes of the IMF and World Bank should reflect local realities of the benefiting countries.
5. The IMF and World Bank should abolish their harsh methodology, policies and programmes in their relationship with the Third World countries.
6. The establishment of a new International Bank that can substitute the IMF is recommended.

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