THE BRETTON WOODS TREATY AND RELATED AGREEMENTS

Rana Ali Jamil Anjas, Al-Turath University College

ABSTRACT

The research problem lies in the instability of international exchange rates, which led to the necessity of forming the Bretton Woods Treaty and the dominance of the United States of America over international organizations, which negatively affects the economies of developing countries and their currency markets. In this paper we have demonstrated the impact of the Bretton Woods Treaty on the development of developing countries. Also, we have searched for the repercussions of monetary crises on developing countries. Furthermore, we have developed suggested necessary solutions and proposals that contribute to achieving exchange rate stability.

Keywords: Bretton Woods Treaty, International Exchange Rates, Dominance, Currency Markets

INTRODUCTION

On July 1, 1944, less than a month after the Allied nations landed their forces on the French Normandy beaches, 730 delegates representing 44 nations gathered for three weeks at the Mount Washington Hotel in Bretton Woods, New Hampshire, USA. To talk about the economy and not about the war that has not ended yet.

The Bretton Woods system that was established at this meeting actually ended in 1971, but whenever global financial markets are exposed to major turmoil or crises, many voices rise calling for the world to adopt a new "Bretton Woods", or a monetary system based on the "Scale Golden exchange. But do they know how the Bretton Woods agreement came out like this (Mason, 1971)?

For example, one might be surprised that almost all of the signatories to the agreement that was drafted with the knowledge of the Americans were not really aware of what they had agreed to (John Maynard, 2010).

The true story of how the Bretton Woods system came to be is filled with tragic drama, intrigue, and dishonest rivalry that dominated the battle between the United States and Great Britain, during which Washington succeeded in eliminating London as an economic and political rival, paving the way for the absolute dominance of the dollar and the end of the era of sterling.

In this report, we will review together the most important of what was stated by “Ben Steel,” Director of the Council on Foreign Relations (CFR) in his book issued in 2013 “The Battle of Bretton Woods,” in which he provided a comprehensive account of this important historical event after subtly placing it in its economic and geopolitical context. Despite hundreds of participants, the Bretton Woods agreement was in fact a struggle between two men in the battle to transfer global economic hegemony from Britain to the United States. The British were represented by the well-known economist "John Maynard Keynes" who was spotted as the most famous participant, while the Americans were represented by the mysterious official of the Treasury, "Harry Dexter White."

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

At that time, Keynes was the most famous economist in the world, and was working as an advisor to the British Treasury, and in the face of him was the presence of "White" who, although he was not widely known outside Washington, was a distinguished economist with a doctorate in Economics from Harvard University, and most importantly, US Treasury Secretary Henry Morgenthau trusted his ability to settle negotiations in favor of the Americans, eliminate Britain as an economic competitor, and establish the hegemony of the dollar.

Prior to that meeting, Britain and the United States had different views of what the post-war global economy should look like. British Prime Minister Winston Churchill all he wanted was to preserve the British Empire, which is the same goal that Keynes sought to achieve, as he saw British colonialism as an economic necessity (John Maynard, 2010).

RESEARCH METHODOLOGY

The research depends on the descriptive approach by making use of previous Arab studies and references and periodicals that dealt with an aspect of this subject in this framework we assumed:

1- The application of the gold rule in developing countries in general is one of the factors behind their backwardness.
2- Monetary crises have negative effects on developing countries more than their effects on developed countries.

THE FIRST RISE OF THE DOLLAR

Throughout the meetings, which lasted for nearly 3 weeks, Keynes and Wyatt brooded and raised their voices at each other as they sought to steer the negotiations in their favor, but unfortunately for Britain, Keynes did not have many tools of power with which to impose his point of view.

Britain's war debts left her present delegation in a poor negotiating position, and Keynes' condescending tone made matters worse. On the other hand, White managed to achieve one victory after another in favor of the United States at the expense of Britain, which rejected most of the ideas proposed by it.

The British delegation failed to persuade the Americans to obtain an interest-free loan for their country, and they were not able to make London the headquarters of the two famous international institutions, the International Monetary Fund and the World Bank, which were agreed upon at that meeting to support the political and economic direction of the agreement, after that the Americans insisted that New York be their headquarters.

Under the weight of the debts, it owed to the United States and which it obtained during its conflict with Germany during World War II, Britain lost the battle of "Bretton Woods" clearly, after it became clear to all that the United States, the rising world power at the time, had the upper hand. Although Keynes was the most prominent person present at that meeting, White managed to manage the negotiations smoothly and intelligently and managed to tip the scales toward the Americans. It later emerged that White deliberately wasted time during the negotiations because in fact he did not need to get into them in the first place, because the decisions included in the final text of the agreement had been made in advance.

Negotiations were also not without deception on the 14th of July, the US Treasury Secretary met with the members of the US delegation to tell them with elation that White had stayed up until 3 AM to finish the final draft of the Bretton Woods Agreement.

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

But what White actually did was to replace the word "gold" in the 96-page agreement with the phrase "gold and the US dollar" in the last moments that preceded the signing of the agreement by those present, and that amendment was not presented to the committee concerned with drafting the text of the agreement. Thus, the Americans strengthened the position of the dollar as a medium of international exchange (Mason, 1971).

Complementing the deception scenario, the Americans were keen to put the British in particular under pressure before signing in order to ensure that they would not pay attention to the amendment, by informing them that they had hours to leave their residence. Indeed, none of the signatories to the agreement noticed the last-minute amendment. But after the delegations left, an argument arose between the Americans and the British about the interpretation of the signed clauses (John Maynard, 2010).

Five months after that meeting, Keynes stated in his own defense that they were somehow pushed to sign the agreement without having had the opportunity to read an arranged copy of it, explaining that they had been informed by their host that they had begun to arrange their check-out from the hotel with it.

Throughout the first half of the twentieth century the pound sterling dominated the global monetary system as the primary reserve currency. At that time the US dollar was playing a minor role as a reserve currency compared to the British currency.

In the fifties, the sterling area (35 countries and colonies tied to the pound and holding quantities of it as basic reserves) controlled half of world trade, while sterling represented more than half of the world's foreign exchange reserves.

In the early years after World War II, sterling's hegemony reached its zenith. According to estimates by the International Monetary Fund, official reserves of sterling (excluding those held by the colonies) in 1947 amounted to about 87% of total global foreign exchange reserves, which is four times the official reserves in dollars.

But thanks to Bretton Woods, it did not take long before the tide was tilted in favor of the dollar, which managed to overtake sterling for the first time in 1955 to become the world's number one reserve currency. Since then, the dollar has held its ground without any threat from any potential competitor (Mason, 1971).

Finally, if Keynes had paid attention to the amended paragraph, he would have opposed it and would not have signed the agreement, but this does not change the fact that he eventually signed the agreement that established the global dominance of the US dollar, as the currency in which the world has revolved for more than half a century.

It is an ironic fact that it later turned out that Harry White, the American representative at the Bretton Woods meeting, was a spy recruited by the Soviet Union to infiltrate the US Treasury, and had already provided Moscow with a lot of sensitive information about the Americans' plans.

FINANCIAL CRISES

After a series of financial crises that shook the global economy between the years (1994-1998), which began in Mexico and East Asian countries, these crises spread to Latin America, until they hit the depths of capitalism in the United States. At the time, Canadian Finance Minister Paul Martin suggested to his American counterpart Lawrence Summers the need for developing countries to participate in developing solutions to global economic issues by

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

expanding the Group of Eight by inviting 12 countries from different continents, to become what they are today known as the “Group of Twenty.”

There are many media statements that consider the amendment of the Bretton Woods Agreement and the formation of the Group of Eight and its expansion into twenty not in order to save the developing Asian economy, as much as it is to oblige emerging market countries to address the mistakes of the capitalist economic school, or, as German researcher Karl Tasvadsky described the G8 as “the past.” The Group of Twenty called "the future".

Here, it can be said that the economic growth of non-European countries in light of the global financial crises was a non-positive indicator of the continued European and American takeover of the global economic system, and that the Western insistence not to integrate global economic issues directly into the United Nations institutions is the fear of the participation of developing countries in the Security Council International permanent seats (John Maynard, 2010).

International Alliances

The Group of Twenty is not an economic bloc with a single vision and a common mission. Rather, it is a forum for a group of economic blocs, and each group has its own political goals that seek to globalize it by imposing its economic power; Today, the developing countries are seeking to create their political prestige in a new framework through their industrial superiority to acquire the new system and globalize it with the international community.

The conflict is not between the “Russian-Chinese” East and the “British-American West,” or between the “global left and the conservative right” over the legitimacy of international laws, but rather the difference over interpretations related to legal implementations. The East and the left saturated the world with their skepticism about the mechanisms of Western implementation of international laws.

The new orientation of the theses and recommendations of the G20 summits is related to new issues related to the behavior of the human “individual” with the environment, terrorism, food and drug quality, and the introduction of treatment within the social framework, while the problem remains among the Group of Twenty in imposing political mandatory around these recommendations (John Maynard, 2010).

The new eyes began to believe that a clean environment was the best incubator for human development, and not as it was before, as the concepts of human rights and freedom of opinion were the pillar of human constituents during the era of the founding of states because of their importance in establishing the pillars of the nation state. What is known today as climate laws is a series of laws that are directly related to the individual and the society in which he lives, addressing the concept of human rights with a new perspective by demanding a “fair environment” and the most appropriate climate for a virtual information life, where definitions of human rights are no longer limited to freedoms saturated with international laws.

Security Council Reform

What raises the most fear and panic for Europeans and Americans “according to statements by some members of the US Congress” is the presence of all members of the “BRICS” alliance within the Group of Twenty, an alliance led by Russia and South Africa in cooperation with China, India and Brazil, which is the club of the rich for emerging economies,

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

and seeks to strengthen the currency Chinese currency against the US dollar through the BRICS Fund, a rival to the International Monetary Fund and the World Bank.

In addition, South Africa allied itself with India and Brazil through the Ipsa Dialogue Forum to represent the voice of the global south to eliminate the gap between the north and south of the earth after obtaining permanent seats in the UN Security Council. South Africa is also one of the most urgent and exciting G-20 countries to the issue of the differences between the Earth's rich north and its poor south.

So: sooner or later, the UN Security Council will be forced to include the new forces in the G-20, after the failure of attempts to monopolize international politics on the current members of the UN Security Council, and this is due to the establishment of political alliances within the G-20 that seek to transform natural economic growth into a matching economic system of Western capitals.

What can be added here is that there is no direct relationship between the Middle East and South Africa due to the geographical divergence according to the United Nations system, but with the new geographical drawing according to the vision of the Group of Twenty, the Middle East and the African continent have become one economic region, and this may have a role for a competitive struggle between them in the future. In the event that South Africa reaches the UN Security Council for the permanent seat to represent the voice of Africa and the Middle East.

South Africa has moved from the era of bilateral relations with the great powers to the stage of merging alliances across race, language and religion; Its demand to represent Africa and the Middle East in the Security Council did not start from its African and regional alliances as much as the Arab and Asian leftist and communist parties were on their way to reach international alliances (Mason, 1971).

The "Nixon" Shock... The Day Gold and the Dollar were Delinked

The United States had a troubled relationship with gold during the twentieth century. Under President Franklin Roosevelt's administration, the country withdrew from the "gold standard" system in 1933 in a last-ditch effort to revive economic growth.

But at the end of World War II, the United States rejoined the "gold standard" as part of its agreement to the Brettonwoods Agreement."

US Gold Reserves are in Danger

The "gold standard" worked for some time, but soon its end began as the German and Japanese economies accelerated, and the US federal budget was affected by the exorbitant financial requirements of the war in Vietnam. US dollars flooded global markets, and many countries began to demand gold in exchange for their dollar holdings, according to a report published by the American research company "The Motley Fool".

This left the United States vulnerable to losing all of its gold reserves, which seemed possible in the late spring of 1971 when other countries began to demand those hundreds of millions of dollars be exchanged for gold.

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

Nixon Shock

On August 13, 1971, Nixon held a secret meeting at Camp David with Federal Reserve Chairman Arthur Burns and Treasury Secretary John Connally along with senior White House advisers.

Two days later, August 15, 1971, "Nixon" agreed to a series of economic measures, the most important of which was the abolition of the direct international transfer from US dollars to gold. Although at the time not many Americans were concerned with economic issues, this move came as a huge shock to the public, which later prompted some to call it the "Nixon shock."

Immediately, on Monday, the Dow Jones Industrial Average rose by about 4% for the first time in its history, and the volume of trading on the American Stock Exchange recorded a record 31.7 million shares. The market continued to rise for about a year and a half, and despite the end of the "gold standard", the economy witnessed a relatively moderate rate of inflation during that period. Nevertheless, the gains from the Nixon shock proved insufficient to offset the impact of the economic turmoil that followed.

By 1973 it was clear that the temporary suspension of the gold standard would last forever, as most other countries determined the value of their currencies by means outside the gold standard, in response to Nixon's move. Price controls aimed at controlling inflation were useless in suppressing the inflationary fluctuations that followed the world's transition to floating their currencies.

While the Organization of the Petroleum Exporting Countries imposed an oil embargo on the United States, annual inflation was already soaring to its highest level since the end of the war, before the recession that began shortly after the embargo slashed inflation for a while. At the same time, the price of gold, which is no longer pegged to any major currency, rose to nearly $90 an ounce in 1981, after it was trading in a range around $35 an ounce under the Bretton woods system.

The impact of the "Nixon shock" is still discussed today by leading economists, and more than 45 years after that move, the impact of that decision on the global economy and monetary policy in the United States can be considered greater than any other event in the second half of the last century.

One of the Reasons for the Trend towards the Nixon Shock

With the increasing economic and political power of Western Europe and Japan on the international stage on the one hand, and the role of socialist and developing countries on the other hand, new facts have emerged that conflict with the stability of currency exchange rates on which the Bretton Woods system is based, and also conflict with the American hegemony over the global economy represented in the control of its currency domestic to the international monetary system.

Despite the amendment of the Bretton Woods Agreement twice, the mechanism of currency exchange rate stability has been completely abolished in practice, and a new stage has begun, the "floating" stage, which means letting the currency exchange rate be determined freely according to the mechanism of supply and demand in the markets. US dollars flooded global markets, and many countries began to demand gold in exchange for their dollar holdings.

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

This left the United States vulnerable to losing all of its gold reserves, something that seemed possible in the late spring of 1971 when other countries began to demand those hundreds of millions of dollars be exchanged for gold.

THE FAILURE OF THE BRETTON WOODS CONFERENCE

This conference was held while the war was still going on but the allied powers were sure to win it. As a result, most of the European and Japanese economies were devastated. The only major industrial power whose economy was relatively unaffected by the war was the United States. It is against this background that the two Bretton Woods institutions, the International Monetary Fund and the World Bank, were formed. Aside from the damage done to the economy by the war, the experience of the pre-war decades emphasized the need for monetary cooperation and the economic system that would make international trade and investment possible once again to achieve this. There was a need for a stable exchange rate system that also ensured that countries did not get any incentives by pursuing inflationary policies. In 1944, representatives of 44 countries met at Bretton Woods and signed an agreement to create a new monetary system (in which trends in the old system revealed an imbalance in monetary resources) that would meet all their needs. This system was called the "Bretton Woods system". A fixed exchange rate system was created with the provision to change them if necessary.

Under these fixed exchange rate regimes, each country agreed to a certain face value of a particular currency measured either in terms of gold or in US dollars and the face value of the dollar was set at $35 per ounce of gold. The United States was the strongest economy at the end of the war and was the only country that exchanged dollars for gold and vice versa at a fixed rate. The central bank of every country is forced to intervene in the foreign exchange market by buying or selling for domestic money. Member states had the option of pegging their currency to either gold or the dollar, and had to keep gold reserves. Thus, if they have to increase their reserves, this becomes difficult. Also, that this system has become very strict. The system providing for the reorganization of the exchange rate in relation to the underlying imbalance In 1967, Britain devalued its currency, and in 1968, there was an outflow of capital from France due to political turmoil. In 1969, the French franc was devalued. With the devaluation of the German currency, the system failed in 1970. All of these led to the collapse of the Bretton Woods system by 1970 (Mason, 1971).

Reasons for the Collapse of the Bretton Woods System

Professor Robert Trevin stated that the system is based on the dollar as the main currency. Countries other than the United States had to raise dollars to carry out international trade. The USA had to save virtually unlimited dollars and thus had to run a BOP deficit. In the early years while this deficit was at moderate levels, it was fine.

Smithsonian Agreement

In 1971, at the Smithsonian Institution, finance ministers attempted to maintain and defend the Bretton Woods system. The United States agreed to raise the official price of gold from $35 to $38, i.e. a 7.9% devaluation of the US dollar. In return, European countries and Japan agreed to revalue their currencies, in addition to devaluing the dollar. The intervention score (allowable difference in equivalence) was increased to +/- 2 ¼ percent.

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

This agreement did not address the issue of the unconditional conversion of dollars into gold, nor did it arrest the excessive flow of dollars from the United States. Thus, the agreement was an incomplete solution to a problem explained by Triffin. Thus, it was unsustainable for a long time

The only achievement of the agreement was the relative monetary stability around the world for a few months in 1972. After several attempts to revive the system by changing the parity, the depreciation of the dollar, etc. The system was practically abandoned in 1973 and officially in 1978. The United States lost its role as a country. Anchor of the global monetary system. The Bretten Woods Conference created twin institutions, the International Monetary Fund and the World Bank.

International Monetary Fund (IMF)

The International Monetary Fund is an institution created in 1944 from the perspective of the International Monetary Fund is to monitor the global monetary system. It works for a stable forex system in the world. It also helps the member countries (Member States) in improving the balance of payments (BoP).

The International Monetary Fund is an international organization of 184 countries. It was established to promote international monetary cooperation, exchange stability, and orderly exchange arrangements. To promote economic growth and higher levels of employment; and providing temporary financial assistance to countries to help ease balance of payments adjustment

The Purposes of the IMF

1- Strengthening international monetary cooperation through a permanent institution that provides a mechanism for consultation and cooperation on international monetary problems.
2- Facilitating the expansion and balanced growth of international trade, thus contributing to the promotion and maintenance of high levels of employment and real income, and the development of productive resources for all members as major objectives of economic policy.
3- To promote exchange stability, to maintain orderly exchange arrangements between members, and to avoid competitive exchange rate depreciation.
4- Assist in the establishment of a multilateral payment system in relation to current transactions between members and the elimination of foreign exchange restrictions that impede the growth of world trade.
5- Giving confidence to the members by temporarily making available the general resources of the fund to them under adequate guarantees, and thus giving them the opportunity to correct uncertain collisions in their balance of payments without resorting to measures that destroy national or international prosperity.
6- According to the above, to shorten the term and reduce the degree of imbalance in the international balances of member payments.

IMF Facilities

Over the years, the IMF has developed a number of loan instruments, or "facilities," that are designed to handle the special circumstances of its diverse membership. Low-income countries can borrow at a concessional interest rate through the Poverty Reduction and Growth Facility (PRGF). Non-concessional loans are offered through five major facilities: Stand-By Arrangements (SBA), Expanded Fund Facility (EFF), Additional Reserve Facility (SRF), Lines of Credit (CCL), and Compensatory Financing Facility (CFF).). Except for the PRF, all utilities are subject to the IMF's market-linked interest rate, known as the "interest rate", and some carry an interest rate premium, "surcharge".

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

The interest rate is based on the SDR interest rate, which is adjusted weekly to take into account changes in short-term interest rates in the major international money markets. The shipping rate is currently about 4%. The IMF discourages excessive use of its resources by levying a surcharge on large loans, and countries are expected to repay loans early if their external position allows them to do so.

POVERTY REDUCTION AND GROWTH FACILITY (PRGF)

The IMF has for many years provided assistance to low-income countries through the Enhanced Structural Adjustment Facility (ESAF). In 1999, however, a decision was made to strengthen the focus on poverty, and ESAF was replaced by the PRGF. The loans under the Regional Poverty Reduction Facility are based on the Poverty Reduction Strategy Paper (PRSP), which the country is preparing in collaboration with civil society and other development partners, notably the World Bank. The interest rate charged on PRGF loans is only 0.5 percent, and the loans can be repaid over a maximum period of 10 years.

Standby Arrangements (SBA)

The SBA is designed to address short-term balance of payments problems and is the most widely used IMF tool. The length of the SBA is usually 12-18 months. Repayment must be made within a maximum period of 5 years, but repayment is expected within 2-4 years.

Expanded Fund Facility (EFF)

This facility was established in 1974 to help countries tackle more protracted balance of payments problems with roots in the structure of the economy. Thus, arrangements under the EFF are longer (3 years) and the repayment period can be extended to 10 years, although repayment is expected within 4 to 7 years.

Supplementary Reserve Facility (SRF)

The Strategic Results Framework was introduced in 1997 to meet the need for large-scale short-term funding. The sudden loss of market confidence experienced by emerging market economies in the 1990s led to massive outflows of capital, which required loans on a much larger scale than the IMF was previously required to provide. Countries must repay the loan after a maximum term of 2.5 years, but it is expected to be repaid one year in advance. All SRF loans carry a significant additional fee of 3-5 percentage points.

Contingent Credit Lines (CCL)

CCL differs from other IMF facilities in that it aims to help members prevent crises. Founded in 1997, it is designed for countries implementing sound economic policies, which may find themselves threatened by a crisis elsewhere in the global economy - a phenomenon known as "financial contagion". CCL is subject to the same payment terms as SRF, but carries a smaller additional cost.

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

Compensatory Financing Facility (CFF)

The fund was established in the 1960s to help countries experiencing sudden shortages in export earnings or an increase in the cost of food imports due to fluctuations in global commodity prices. The financial terms are the same as those that apply to the SBA, except that the CFF does not incur any additional fees.

Emergency Help

The International Monetary Fund provides emergency assistance to countries that have experienced a natural disaster or are out of conflict. Emergency loans are subject to a basic fee rate and must be repaid within 5 years.

IMF Lending Process

IMF loans are usually made under an "arrangement", which stipulates the conditions that a country must meet in order to receive the loan. All arrangements must be approved by the Executive Board, whose 24 directors represent the IMF's 184 member countries. The arrangements are based on economic programs developed by countries in consultation with the International Monetary Fund, and presented to the Executive Board in a "letter of intent". The loans are then issued in graduated installments as the program is implemented.

The Objectives of the IMF can be listed as follows

1- Strengthening international monetary cooperation through a permanent institution while providing a mechanism for consultation and cooperation on international monetary problems.
2- Facilitating the expansion and balanced growth of international trade and contributing to its promotion and maintenance and real income.
3- Enhancing exchange rate stability and avoiding competitive exchange rate among members.
4- To help establish a multilateral payment system in relation to existing transactions between members and to eliminate forex restrictions that hamper the growth of global trade.
5- Giving confidence among members by making money available to them under the actions of toilers.
6- To bypass the balance of payments (BoP) crisis.

World Bank

The World Bank is a development institution that aims to finance economic development. It helps raise productivity by financing economic development. More than 180 member countries represented on the Board of Governors and Board of Directors own the World Bank.

The World Bank consists of five bodies that follow the following:

International Bank for Reconstruction and Development-International Bank for Reconstruction and Development:

It provides loans and development aid to middle-income and noble poor countries. The IBRD gets its money by selling bonds in the international capital markets.

International Bank for Reconstruction and Development (IBRD)

The World Bank is not a "bank" in the proper sense. It is one of the specialized agencies of the United Nations, made up of 184 member states. These countries are jointly responsible for

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

how the institution is financed and how its money is spent." Along with the rest of the development community, the World Bank is focusing its efforts on achieving the Millennium Development Goals, agreed by members of the United Nations in 2000 that aim to reduce poverty sustainably.

The World Bank is the name used by the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). Together, these organizations provide low-interest loans, zero-interest credits, and grants to developing countries. Nearly 10,000 development professionals from nearly every country in the world work at the World Bank headquarters in Washington, DC or in offices in 109 countries.

In addition to the International Bank for Reconstruction and Development and the International Development Association, three other organizations make up the World Bank Group. The International Finance Corporation (IFC) encourages private sector investment by supporting high-risk sectors and countries. The Multilateral Investment Guarantee Agency (MIGA) offers political risk insurance (guarantees) to investors and lenders to developing countries. The International Center for Settlement of Investment Disputes (ICSID) settles investment disputes between foreign investors and their host countries.

RESULTS

The recommendations of the International Economic Cooperation Forum "Group of Twenty" cannot be understood through simple explanations circulating in the media corridors, but rather must be dealt with as indicators of rise and fall between global politics and the economy, by comparing and linking the decisions of the UN Security Council and the recommendations of the United Nations to the recommendations of the Group of Twenty at the end of each year.

Security Council resolutions are still the rising indicator because they are binding on the international community, while South Africa, India and Brazil are striving to give priority to or escalate some of the G-20 recommendations to the mandatory status of reaching the Security Council with permanent seats.

The international equations that arose on harnessing human and natural resources to satisfy political needs are an indication that political reform or economic growth will not be achieved until all the twenty countries guarantee their own interests and future ambitions.

Also, the global data presented before the "Bretton Woods" agreement and after the formation of the Group of Eight and then the Group of Twenty, will not be the same after 10 or 50 years to come, as the international balances between the great powers from unipolar to bipolar may witness turmoil after the rise of powers Intelligent informatics on the international scene that will drop all existing theories.

There is no doubt that future generations will turn their attention to the G20 after seeing in its recommendations a lot of the tangible reality they live in in terms of addressing their new challenges looking for a just environment, climate, food and medicine, while the United Nations and its institutions will remain a traditional school as a product of the old-world wars.

REFERENCES

Edward, M.S., & Robert, E.A. (1971). The world bank since Bretton Woods: The origins, policies, operations and impact of the international bank for reconstruction".

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12

Michael, H. (1972). *Super imperialism: The origin and fundamentals of U.S. world dominance, (2nd edition).* London and Sterling, VA: Pluto Press.

Keynes, J.M. (1931). *Economic consequences of Mr. Churchill (1925) in essays in persuasion.* Moggridge.

Ahamed, L. (2009). Lords of finance: The bankers who broke the world. New York: Penguin Press.

Block, F. (1977). *The origins of international economic disorder: A study of united states international monetary policy from WW II to the present.* Berkeley: UC Press.

Skidelsky, R. (2003). *John Maynard Keynes 1883–1946: Economist, philosopher, the statesman*. London, Toronto, New York: Penguin Books.

Hofmann, C. (2008). *Learning in modern international society: On the cognitive problem solving abilities of political actors.* Springer Science & Business Media, 53.

Coblentz, E. (1945). Papers of Bernard Baruch, Princeton University Library in Walter LaFeber. America, Russia, and the Cold War, 12.

Lundestad, G. (1986). Empire by invitation? The United States and Western Europe, 1945–1952. *Journal of Peace Research*, *23*(3), 263–77.

Laurence, C. (2005). *Exchange rates and international finance (4th edition).* Prentice Hall.

Eichengreen, B. (2011). Exorbitant privilege: The rise and fall of the dollar and the future of the international monetary system.

Received: 31-Dec-2021, Manuscript No. AEJ-21-8974; **Editor assigned:** 02-Jan-2022, PreQC No. AEJ-21-8974(PQ); **Reviewed:** 12-Jan-2022, QC No. AEJ-21-8974; **Revised:** 22-Jan-2022, Manuscript No. AEJ-21-8974(R); **Published:** 31-Jan-2022

Citation Information: Anjas, R.A.J. (2022). The Bretton Woods treaty and related agreements. *Academy of Entrepreneurship Journal, 28*(S2), 1-12