

## Global Organisations Resource Pack

### The G7

An informal group of 7 powerful organisations. Its membership include, USA, Canada, UK, Italy, France Germany, Japan

It has no formal charter or mission but works closely to coordinate short-term macroeconomic policy.

The group meets annually to discuss important geopolitical issues, such as trade, sanctions, climate change, peace

It began as G6 but became G8 and fell to G7 when Russia's membership suspended in 2014

The group represents 7 nations with over half of the world's GDP. Although there larger economies such as China and India outside the group

It's population base is only 10.5% of the world's population

It uses aid and sanctions to push its own agenda of democracy and neo-liberalism.

### The G20

The G20 was established in 1991 and is made up of 19 countries and the EU. These include, Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United States, United Kingdom and the European Union

It also invited selected developing countries and the IMF and World Bank.

It works as a forum to discuss and coordinate macro-economic policy. It puts measures in place to limit the collapse of financial markets. It funds fiscal stimulus packages worldwide to protect and create employment worldwide.

It is often criticised for being an elite photo call for world leaders. Many social and environmental activists protest against the organisation on issues such as climate change inaction and problems of unequal distribution of wealth in the world.

## The OECD

The OECD is an organisation consisting of [35 country members](#).

It was established in 1961 and works to promote policies that will improve the economic and social well-being of people around the world.

The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. It works with governments to understand what drives economic, social and environmental change. It measures productivity and global flows of trade and investment.

It is often criticised as being an elite club for rich nations that creates economic conditions that favour themselves over poorer nations. The theme of the 2017 meet was [bridging divides](#), which focused on improving the social and economic divides at different scales.

## The IMF

The IMF was created in 1945 as a financial institution for the UN alongside the World Bank. It comprises 188 member states.

It's main function is to provide financial investment for developing countries to help reduce poverty. It works to stabilise economic systems and fosters international cooperation.

The IMF intervenes in times of national recession by providing financial stimulus. This in turn reduces the impact on other nations and the global economy.

The IMF is criticised for favouring US and European interests. Voting rights within the organisation are dominated by the US (16.7%) because the US is by far the largest contributor. Recipient countries need to conform to US and European policy in order to access loans and so in doing so the US and EU are seen to have political and economic leverage over these countries.

## The World Bank

The World Bank was established in 1945 as a financial institution of the UN alongside the IMF. It comprises two institutions: the [International Bank for Reconstruction and Development](#) (IBRD), and the [International Development Association](#) (IDA).

Its background was initially focused on the reconstruction of Europe following WWII, but later focused on large scale projects in developing countries. Lending for ports, transport infrastructure and agriculture. It is now focused more on social issues such as health and education and integrated rural development.

It operates by borrowing money through issuing bonds and then issuing loans. It also has a funding mechanism based on donated funds, which is used for long-term interest free loans.

Its main focus remains development but increasingly it is focusing on major global issues such as climate change.

It has been criticised in the past for promoting expensive top-down development aid tied to US and European interests. The Structural Adjustment Plans (SAPs) in the 1970s reflected these problems. The funding mechanisms are still heavily tied to promotion of foreign investment and international trade, centred on neo-liberalism, which can lead to a loss of self-determination in developing countries.

## The New Development Bank

Established in 2015 by the BRICS nations that include, Brazil, Russia, India, China and South Africa it is seen as rival international bank to the IMF/World Bank group that will foster closer cooperation and financial security for the five member nations and their geopolitical interests in the global south.

It comprises a \$50 Billion fund for infrastructure and development projects in developing countries and a \$100 Billion fund for the contingency reserve designed as an economic buffer fund against global recession.

It operates on the principle of equality among the nations, although China has taken a leading financial role contributing just shy of half of the initial \$100 Billion to the contingency reserve fund.

Its first projects included the issuing green development bonds focused on raising capital for innovative green technologies.

## OPEC

OPEC was established in 1960 and is made up of [14 member countries](#).

It was created to take away price control from western oil corporations and give it to the oil producing nations.

The main policy for price determination is through regulating the supply of oil. Member countries meet every two years and set quotas for production. By lowering quotas and therefore supply they can manipulate prices to rise.

OPEC acts as a cartel and uses its supply of oil as a political tool. This was done in the 1970s when supply to the USA was halted in protest against US support for Israel.

Supply can also be held back through oil futures. Futures is based on betting on prices rises, which can lead producers to hold back production betting on future price rises.

Today OPEC's control has fallen from 50% of market share to around 33%. This fall in control has reduced their geopolitical power as well as their ability to influence price. New technologies such as fracking and the need to move away from oil towards cleaner energies impact on OPEC global influence

## The WTO

The WTO was formed in 1995 to regulate and enforce the trading rules and regulations developed under the General Agreement for Tariffs and Trade (GATT) and comprises 150 nations.

It deals with the rules of trade between nations. It seeks to improve conditions for increased quantities of trade through the reduction of trade barriers, such as government subsidies and tariffs.

The goal is for increased prosperity through increased trade.

Criticisms of the WTO include the argument that it favours developed countries over developing countries through opening their markets to western companies at the same time as restricting developing countries from accessing western markets. In addition, environmental and labour welfare issues are seen to be exploited.

The anti-globalization movement also see the WTO as an undemocratic institution that exerts western control over weaker nation states and their sovereignty.