

## THE ASPECTS OF INTERACTION OF BELARUS WITH THE INTERNATIONAL MONETARY FUND

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Nowadays we live in a very changing and competitive world, and every country has to manage these challenges posed by globalization and economic development. But there are some institutions that help governments secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. A very good example is the activity of the International Monetary Fund (IMF), an organization of 186 countries, working to foster global monetary cooperation. The IMF tracks global economic trends and performance, alerts its member countries when it sees problems on the horizon, provides a forum for policy dialogue, and passes on know-how to governments on how to tackle economic difficulties. The IMF provides policy advice and financing to members in economic difficulties and also works with developing nations to help them achieve macroeconomic stability and reduce poverty.

The IMF's fundamental mission is to help ensure stability in the international system. It oversees the international monetary system and monitors the financial and economic policies of its members. It keeps track of economic developments on a national, regional, and global basis, consulting regularly with member countries and providing them with macroeconomic and financial policy advice. To assist mainly low- and middle-income countries in effectively managing their economies, the IMF provides practical guidance and training on how to upgrade institutions, and design appropriate macroeconomic, financial, and structural policies. The IMF provides loans to countries that have trouble meeting their international payments and cannot otherwise find sufficient financing on affordable terms. This financial assistance is designed to help countries restore macroeconomic stability by rebuilding their international reserves, stabilizing their currencies, and paying for imports—all necessary conditions for relaunching growth.

The IMF was founded more than 60 years ago toward the end of World War II. The founders aimed to build a framework for economic cooperation that would avoid a repetition of the disastrous economic policies that had contributed to the Great Depression of the 1930s and the global conflict that followed.

Since then the world has changed dramatically, bringing extensive prosperity and lifting millions out of poverty, especially in Asia. In many ways the IMF's main purpose—to provide the global public good of financial stability—is the same today as it was when the organization was established. More specifically, the IMF continues to:

- provide a forum for cooperation on international monetary problems
- facilitate the growth of international trade, thus promoting job creation, economic growth, and poverty reduction;
- promote exchange rate stability and an open system of international payments; and
- lend countries foreign exchange when needed, on a temporary basis and under adequate safeguards, to help them address balance of payments problems.

The IMF's way of operating has changed over the years and has undergone rapid change since the beginning of the 1990s as it has sought to adapt to the changing needs of its expanding membership in the globalized world economy. Most recently, the IMF's Managing Director, Dominique Strauss-Kahn, has launched an ambitious reform agenda, aimed at making sure the IMF continues to deliver the economic

analysis and multilateral consultation that is at the core of its mission—ensuring the stability of the global monetary system.

Marked by massive movements of capital and abrupt shifts in comparative advantage, globalization affects countries' policy choices in many areas, including labor, trade, and tax policies. Helping a country benefit from globalization while avoiding potential downsides is an important task for the IMF. The global economic crisis has highlighted just how interconnected countries have become in today's world economy.

Belarus is set to emerge from the crisis in good shape, but the authorities will not only need to maintain tight macroeconomic policies, but also make further progress in cooperating with the Fund and implementing its programs. Belarus joined the IMF on July 10, 1992 and accepted obligations under Article XIV. There are three main areas of IMF activities in Belarus: the most important area of activity has been cooperation with the government and the National Bank of Belarus preparing economic policy programs with a focus on macroeconomic issues: fiscal, monetary, exchange rate and trade policies to ensure sustained strong economic growth, low inflation, and a sustainable balance of payments. Our country gets financial assistance from this organization: since 1993, Belarus has used its resources on several occasions in support of the Government's economic reform programs.

The IMF has provided Belarus with technical assistance in a number of areas, including public expenditure policy, treasury, tax and customs, bank supervision, monetary policy/central bank organization and in statistics (balance of payments, money and banking, real sector). This assistance has been provided in various forms: visiting teams from Washington or individual experts arriving for shorter periods or resident experts staying for up to four years.

Belarus is only beginning a process of structural transformation of the economy, and progress in liberalizing the economy and increasing productivity will be essential for rapid and sustainable growth. It could be done successfully with the help of the IMF. Macroeconomic stability and sustainable economic growth remain its key objectives. Its structural reforms focus on promoting macroeconomic stability and private initiative, while reducing government intervention in economic activity; its social policies will ensure adequate social safety for the most needy. The IMF macroeconomic policies would strengthen the external position of our country and create opportunities for private sector development.

#### **СПИСОК ИСПОЛЬЗОВАННЫХ ИСТОЧНИКОВ**

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