



ROLE OF WORLD BANK IN DEVELOPMENT

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Abstract

Currently the World Bank is playing a major role in providing loans for development works in member countries, especially in developing countries. This bank provides loans for a period of 5 to 20 years for various development projects. Currently the World Bank is playing a major role in providing loans for development works in member countries, especially countries. The bank provides loans for various development projects for a period of 5 to 20 years. This paper tries to explore the role of World Bank in global development.

Key Words: World Bank, Global, Development, Loan.

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Introduction

The World Bank is headquartered in Washington DC. It was established on July 1945. The World Bank is a lending institution whose objective is to integrate the economies of different countries into a wider world economy and to make efforts to eradicate poverty in developing countries. It has a total of 189 member countries. Its motto is "Working for a Poverty Free World". The World Bank is known to the Bank for International Reconstruction and Development (IBRD) and its associate institutions as the World Bank Group. The main motive behind the establishment of the World Bank was to provide long-term loans to rebuild the damaged economies of member states during World War II.

The IBRD and IDA are the most prominent organisation. The World Bank is also called the confluence of these two unique development institutions. The IBRD and IDA are owned by 188 member



countries. All these institutions provide low interest loans, interest free lending and grants to developing countries for different purposes. These include investments in education, health, public administration, infrastructure, finance and private sector development, farming, environment and natural resource management.

The World Bank is a lending institution that aims to integrate the economies of various countries into the wider world economy and to strive for poverty alleviation in developing countries. The World Bank provides loans for policy reform programs and projects. But the bank only lends to developing countries. The World Bank has lent 75% of its debt to developing countries in Africa, Asia and Latin America, while only 25% to developed countries in Europe. But still most of the countries believe that the developed countries have more influence over the World Bank because these countries are the largest shareholders in the total assets of this bank. The World Bank is an important source of financial and technical assistance for developing countries. Its mission is to achieve sustainable results by fighting poverty with full tenacity and professional competence and to help people themselves and their environment. The World Bank provides resources, information, capacity building and public and private sector participation for this.

The World Bank raises necessary funds for development programs in two ways. Some of this wealth comes under the contribution of rich countries. At the same time, the International Bank for Reconstruction and Development also raises funds by trading and investing shares in financial markets. More than half of the loans given by the World Bank are raised in this way.

Role of World Bank in Global Development:

The World Bank is playing a major role in providing loans to member countries for development works. It provides long term loans for 5 to 25 years. The World Bank provides low-



interest loans, interest-free credits and grants to developing countries. Under normal circumstances there is always a government guarantee of repayment. The World Bank is directed to give loans for projects, but never to finance trade deficits. There should be a reasonable possibility of these loans being repaid. IDA was created to offer alternative loan options. IDA loans are free of interest and offered for several decades, requiring the country to begin repayment with a ten-year grace period before obtaining a loan. It helps underdeveloped and war-torn countries by providing loans for development and reconstruction. It helps to enhance the economic development of poor countries, reduce poverty and improve living standards. The World Bank has played a bigger role in India's development. Cooperation between the World Bank and India began in 1944 with the foundation of the International Bank of Reconstruction and Development. India along with 44 other countries prepared the agenda for the Bretton Woods Conference in June 1944. The first bank loan to India was received in November 1948 from the International Bank of Reconstruction and Development for railway rehabilitation, with a loan amount of US \$ 34 million.

Conclusion

As the World Bank's mandate promotes sustainable development, its call for good governance particularly concerns the concept that this concept contributes to social and economic development. The reduction is for the fundamental purpose of the World Bank.

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