

INTRODUCTION

As defined by article III.5 of the World Trade Organization Agreement, “*contributing to achieving more coherent global economy policy – making is one of the five core functions of the World Trade Organization*”. This aim can be achieved only with close cooperation between the global international (economic) organizations. Here, it is indispensable to call for cooperation between WTO (World Trade Organization), IMF (International Monetary Fund) and WB (World Bank). This cooperation will be the cornerstone of this study. After the establishment of the WTO in 1995 the Bretton Woods institutions (BWI’s) and the WTO concluded agreements in December 1996 for allowing this cooperation.

Cooperation theorists argued that different international issues and issue domains (trade, finance, capital flows, and so on) may have different strategic structures, and these crucially affect the prospects for international cooperation and the nature of the specific problems organizations must overcome to achieve it. With cooperation, the three international economic organizations contribute to achieving the Millennium Development Goals (MDGs) sponsored by the United Nations members. Furthermore, these also contribute to policy coherence for development and create stability in favour of developing and least developed countries.

Dealing with this cooperation, this paper intends to analyze the impact of the legal – economic relationship between these three international economic organizations. The WB and the IMF are usually called “*the two sisters*” and they play a key role in assisting developing countries in the modern era of globalization. Of course, the WTO does not only cooperate with IMF and WB, it has cooperated with some United Nations agencies, for instance the United Nations Conference on Trade and Development (UNCTAD).

The analyses taken by this study consist basically of the extent to which this legal relationship constrained decision making in developing countries, and how has it affected the potential for growth and stability of the world. This tripartite relationship is analyzed carefully in many ways. The history and current arrangement between the IMF, and the WB and the WTO

are examined to shed some light on potential areas for new development. The legal and economic relationship will be especially treated. One can say that the cooperation between such institutions at the present moment focus on how to mainstream development into trade in the context of the Doha Development Agenda (DDA). It is true but more true also is the relationship between trade and finance institutions which remains equally important, and not only at times of financial crises like the last famous Asian Crisis.

To achieve the purpose of this study, the paper will be divided into four chapters as follow:

The first chapter is general and provides the main concepts that are used in subsequent chapters for understanding the analyses made. This chapter does not have the practical character but theoretical a more one. It provides the concept of international organizations, classifications of international organizations and also, provides the recent context of world economies by doing the study of old and new international economic order. The study of new international economic order is important in the thesis because of the fact that international organizations analyzed in next chapter works on the context of the new international economic order. Some historical background is made here. Finally, this chapter gives some issues related to globalization and which in turn is linked with trade. Working on this notion, the chapter shows how globalization is linked with trade and remains important in international organizations matters.

The second chapter entitled “The World Trade Organization (WTO), the International Monetary Fund (IMF) and the World Bank (WB),” is intermediary between the general chapter and the special charters which are the third and the fourth. This chapter provides a notion, history and role of the three international organizations which, as mentioned previously, form the core of the thesis.

The third chapter as said in the last paragraph belongs to the special and cornerstone part of the thesis. Legal and economic global relationship between these international organizations is provided. Besides this, common scope of these international organizations is analyzed. More

attention is given to the agreements between the WTO's and the WB and IMF. In fact, these agreements correspond to the main legal instruments used for this legal and economic analysis.

Finally, the last chapter provides the issues of challenges and impacts of this relationship for the developing countries. It also deals with practical actions need to be taken by such international organizations to allowing the growth of the economies of the developing and least developed countries. Also in this chapter we provide a brief analyse about Sub-Saharan African Countries (as developing and least developed countries), their problems and measures to be taken by WTO and BWI's and how they enjoy the policies from these international economic institutions. As all SSAC are part to the Washington based institutions, such proves the importance of studying the effects and challenges of the BWI's in these countries.

The method used is consultation and reading of related bibliography (books, international agreements, charters, articles) dealing with these issues, websites of these international organizations and other relevant authorities and databases available for students at the University of Macau.

The conclusion achieved in this study is even with agreements which establish the framework for relationship between WTO, IMF and WB and efforts taken by the international community, there is not yet a clear and "comfortable" relationship or at least there is not yet international economic stability which is in the last instance the main objective of these three organizations. To avoid unnecessary duplications of efforts, squandering of funds, and conflicts of interests in the future, the international community would have to define clearly the interrelationship between the three core economic organizations on one side and on the other side, with other international institutions whose tasks may overlap with theirs for instance the United Nation Conference on Trade and Development (UNCTAD).