Establishment of a Regional Monetary fund

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The Future of Financial Support for Developing Countries: Regional and Islamic Monetary Funds

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ABSTRACT

The study analyses the strengths, weaknesses, opportunities, and threats (SWOT) of establishing regional and Islamic monetary funds as alternatives to the International Monetary Fund (IMF). The study considers this proposal's merits, flaws, prospects, and dangers and sheds light on the project's viability. Potential autonomy is strength of regional and Islamic monetary funds. Without outside interference, these funds may be better able to respond to their respective areas' specific requirements and cultural norms by implementing innovative financial strategies. Further, nations needing these resources would have more say over their economic and fiscal strategies, protecting them from potential IMF interference. On the other hand, the analysis reveals several severe flaws in this proposal. The capacity to give extensive aid and technical support may be constrained because regional and Islamic monetary funds lack the IMF's resources and competence. The IMF can help nations worldwide, whereas these funds probably cannot. The research finds that despite these difficulties, establishing regional and Islamic monetary funds presents great prospects for collaboration and integration among nations. This can strengthen cooperation in the face of shared economic problems and foster peace in the area. The research also shows where this project can be vulnerable to failure. Regional and Islamic monetary facilities risk losing their legitimacy and independence if they succumb to political interference, financial difficulties, or opposition from established organizations like the International Monetary Fund. Finally, the SWOT analysis gives an in-depth look at the opportunities and threats associated with creating regional and Islamic monetary funds as IMF substitutes. While certain advantages to using a hedge fund, such as autonomy, adaptability, and management, some severe constraints and risks should be considered. The results of this research give essential information on the viability of this plan, which policymakers and interested parties can use to make informed decisions.

Keywords: International monetary fund; Regional monetary fund; Islamic monetary fund; SWOT analysis.

1. INTRODUCTION

The IMF is a worldwide institution that has been around since 1944 to foster global monetary harmony and commerce. Its primary goals are to aid members experiencing economic hardship, foster international cooperation, and encourage sustainable global economic expansion. The General Resources Account is a pool of money funded by the IMF's member nations that are used to lend money to countries experiencing economic hardship. In return for these loans, however, the IMF mandates that its borrowing members implement economic and financial measures to help restore stability and prosperity (O'Hara, 2003).

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The United States, Japan, Germany, France, and the United Kingdom are the five greatest donors among the IMF's 189 member nations. Each member nation has a voice on the IMF's board of governors and an economically weighted quota determining how much influence it has at the organization's Washington, D.C. headquarters. For almost seventy-five years, the IMF has helped nations in economic distress by lending money and offering advice on economic strategy (Rapkin et al. 1997). The IMF plays a vital role in the global economy but has also been the target of criticism. Some have accused the IMF of perpetuating a global economic system that favours developed countries at the expense of developing countries and of imposing harsh economic conditions on borrowing countries (Payer, 1975; Bauer, 1981; Birdsall, 1998; Bird & Rowlands, 2006).

1.1. IMF's Dual Role: Supporting Developing and Developed Countries

The IMF plays a vital role in both the developing and developed world to promote international economic cooperation and stability and to give financial assistance to nations experiencing economic problems (Feldstein, 1998). The IMF helps nations in economic distress by lending them money and advising them on implementing policies that would bring about growth and stability (Stiglitz, 2003). In order to assist nations with their short-term balance of payments problems, the IMF lends them money; in return, the countries that borrow from the fund must implement economic and financial policies that will help them develop and become more stable (Conway, 2006). Over time, the IMF has participated in several economic stabilization initiatives in developing nations. These countries have faced various economic crises, including currency devaluations, high inflation, and massive fiscal deficits. To help its member nations in the developed world preserve economic stability and foster sustainable development, the IMF offers advice on economic policy and offers technical support. To keep global economic development stable and sustainable, the IMF acts as a forum for developed nations to work together (Wouters & Odermatt, 2014).

1.2. Regional Monetary Fund/Islamic Monetary Fund: An Alternate Solution for Survival

There is a need for alternatives to the IMF that are more adaptable to the socioeconomic realities of emerging countries (Niyonkuru, 2016). In order to better assist emerging nations with their financial requirements, a regional monetary fund (RMF) might be created. Considering Muslim-majority nations' cultural, economic, and religious characteristics, an Islamic monetary fund (ISMF) might be established. Both the RMF and the ISMF have the potential to promote financial stability and reduce reliance on a single global body like the IMF by taking a more regional and culturally sensitive approach to development and economic progress. The following are potential first steps toward establishing an RMF as an alternative to the IMF. First, it is necessary to do a thorough feasibility analysis to determine whether or not it is possible to start an RMF in a particular area successfully. This evaluates the region's economic and financial requirements and the opportunities and threats associated with establishing an RMF. After the feasibility assessment, regional nations should band together to fund and assist the RMF as a consortium. Countries with robust economies, ample financial resources, and specialist knowledge of financial and monetary problems might all be part of this consortium. Building the RMF's framework is the next logical step. This framework's goals, processes, and organizational structure must be clearly defined. Financial resources, loan approval, and technical help for member nations should all be spelt out. Secure financing should be sought from member nations and other sources, including international organizations and private investors, to guarantee the financial stability and sustainability of the RMF. Once the money has been raised, the RMF may develop its governance structure, which includes a board of directors, an executive team, and a secretariat. This governance structure guarantees the RMF's effectiveness and efficiency, autonomy, and transparency. Once the RMF is set up, it may be officially unveiled and implemented. Financial and technical assistance, the promotion of economic stability and development, and the resolution of shared economic difficulties are all areas in which the RMF should collaborate closely with its member nations.

Similarly to the IMF, an RMF may be created by a group of nations within a particular area to support member countries in need. The RMF should be fashioned to foster monetary and fiscal cooperation among member nations and give those nations a way to get quick cash for their budget gaps. Equally as important as the RMF is an Islamic Monetary Fund (ISMF), which is expected to follow Islamic financial principles such as the abolition of interest-based transactions and encourage socially responsible investment. The Islamic Stabilization and Development Fund will aid its member nations financially and foster business partnerships between nations with Muslim majorities. The IMF has been criticized for its allegedly authoritarian approach to lending to developing nations. Austerity measures, such as cuts in government expenditure, may be mandated by the IMF as a condition for receiving aid. These policies might have unintended consequences for the populace, such as increased unemployment and fewer resources for social welfare programmes. According to critics, the operation of a country's central bank may become less open and accountable if IMF principles are implemented. The IMF may demand that governments implement strict monetary policies, such as a devaluation of the currency or an increase in interest rates, which may exacerbate the country's economic woes. To sum up, the IMF may help developing nations financially, but its programmes do not come without costs and consequences. It is critical for nations to have autonomy over their monetary systems and for the IMF to execute open, responsible, and sustainable policies. Financial stability, access to capital for member nations, and regional economic growth are all things that the RMF and ISMF can assist with. They also facilitate regional financial and economic coordination. The success of RMF and ISMF, however, depends on several elements, including the dedication of member nations, the effectiveness of leadership, and the availability of funds.

2. SCOPE OF THE EVALUATION

The study's goal is to evaluate the SWOT analysis of an RMF and ISMF as an alternative to the IMF. The research hopes to assess the merits of this plan by looking at its flaws, potential benefits, and hazards. The study aims to help policymakers and other interested parties decide whether or not to start an RMF and ISMF by assessing the pros and cons of doing so. The study's ultimate goal is to thoroughly evaluate the RMF's and ISMF's possible effect on the area and identify the actions needed to launch and sustain successful monetary funds.

2.1. Understanding the Problem

The study's research questions are:

I. What are the potential pitfalls and constraints of creating regional and Islamic monetary funds as substitutes for the IMF?
II. How do regional, and Islamic monetary funds affect economic development and stability in their respective areas?
III. Why would it be a good idea to create regional and Islamic monetary funds to diversify the world monetary system?
IV. Does creating regional and Islamic monetary funds reduce reliance on the IMF and other global apex institutions? And
V. What elements matter most about the viability and effectiveness of regional and Islamic monetary funds?

This study's research questions examine the pros and cons of creating RMF and ISMF as alternatives to the IMF. The first inquiry is meant to evaluate the constraints and challenges that would have to be surmounted to set up an RMF/ISMF. The second inquiry is concerned with how an RMF/ISMF might affect the prosperity of the surrounding area. The third inquiry looks at why it is beneficial to broaden the international monetary system by developing various additional financing and support mechanisms. To answer the fourth point, we must consider how the creation of an RMF/ISMF would reduce the dangers associated with relying on a single dominating organization like the IMF. Finally, we look at what makes an RMF/ISMF work and how it may last. These inquiries aim to thoroughly evaluate the RMF's/ISMF's potential regional impact and pinpoint the actions required to establish and sustain an adequate monetary fund.

2.2. The Study's Intentions

This study aims to accomplish the following based on the questions posed in the research proposal:

I. To recognize the difficulties and constraints of establishing regional and Islamic monetary funds and to examine them in depth.
II. To evaluate how the creation of regional and Islamic monetary funds has affected regional economic development and stability.
III. To assess how adding regional and Islamic monetary funds to the global monetary system may help.
IV. To assess how the creation of alternative monetary funds, such as regional and Islamic monetary funds, has reduced reliance on the IMF and other global apex institutions, and
V. To investigate what factors influence the long-term viability of regional and Islamic monetary funds.

Investigating the possibility of establishing regional and Islamic monetary funds as alternatives to the IMF is crucial. In doing so, it hopes to identify and examine any obstacles that may crop up in introducing such funds. This research is essential to evaluate how the creation of these funds affects regional economic stability and development. A significant part of the research assesses the advantages of introducing regional and Islamic monetary funds into the global monetary system. To ensure the long-term viability of regional and Islamic monetary facilities, the research will also assess the impact of these investments on countries' reliance on a single dominating organization, like the IMF. This research is vital because it will help policymakers and other interested parties by shedding light on the elements that affect the performance and longevity of these programmes.

2.3. Key Deliverables

This research contributes more than just an evaluation of the feasibility of creating RMFs/ISMFs as IMF substitutes. Findings from this research will provide light on whether or not it is possible to establish an RMF/ISMF by giving a thorough knowledge of the obstacles and constraints that need to be overcome. This research will add to the continuing discussion about the role of international institutions in supporting economic development by evaluating the effect of an RMF/ISMF on regional economic stability and growth. Furthermore, the research will deepen our understanding of the advantages of establishing new avenues of financing and support for the international monetary system. This is a critical problem since the IMF plays a vital role in the global financial system and is subject to disruptions and failures. The research will examine how well RMFs/ISMFs might help reduce these dangers and strengthen regional security. The research will investigate the potential advantages of RMFs/ISMFs and give an in-depth analysis of the elements essential to their long-term viability. The research will achieve this by providing evidence-based suggestions to policymakers and stakeholders on safeguarding RMFs/ISMFs for the long run. Forming a successful and lasting RMF/ISMF would have far-reaching ramifications for the regions and the international community; thus, this is a crucial concern. The research substantially adds to our knowledge of RMFs'/ISMFs' potential as IMF substitutes. The research will help policymakers and stakeholders achieve more sustainable and equitable economic growth by thoroughly analyzing the initiative's strengths, weaknesses, opportunities, and risks.

3. CHALLENGES AND OPPORTUNITIES IN LAUNCHING AN 'RMF/ISMF' FOR DEVELOPING COUNTRIES

3.1. Potential Challenges

There is a wide variety of obstacles and constraints that developing nations may have to overcome to establish an RMF/ISMF. A major obstacle is a need for firm political backing and dedication from participating nations. Governmental and stakeholder opposition might be a significant obstacle to the project's success. Both the RMF and the ISMF will need substantial funds for their launch and operation, which might be a problem for developing nations that either need more money or have trouble getting their hands on it. It might be challenging to put the clear organizational structure and governance model needed to establish an RMF/ISMF. Achieving the goals of the RMF/ISMF requires close coordination and collaboration among member nations, which is difficult given the divergent nature of their economic and political interests. Technical competence in finance, economics, and risk management is often in low supply in developing nations, making it difficult to establish an RMF/ISMF. The need for a functional monetary system may conflict with Muslim-majority nations' cultural and religious norms. Funding and support from member nations may be difficult because of competition from organizations like the IMF, World Bank, and regional development banks. The nations involved and the relevant specialists will need to work together closely to find solutions to these problems.

3.2. Potential Opportunities

Several methods may help developing nations overcome the difficulties of establishing an RMF/ISMF:

I. Developing nations must strive toward agreement among participating nations to establish a shared vision and objectives for the RMF/ISMF. To do this, engaging in productive conversation and seeing beyond any economic or political disagreements will be necessary. This method has the potential to provide a more comprehensive and culturally sensitive answer to the economic and financial problems being experienced by these nations. Consensus-building and settling political and economic disagreements are challenging tasks, and it calls for decisive leadership, transparent and open lines of communication, and the ability to establish common ground (Abukhater & Abukhater, 2019). In addition, for these alternative funds to be prosperous and stable, their creation must be founded on clear and well-thought-out governance frameworks.

II. Developing nations may go to development banks, donor organizations, and private sector investors for financial assistance. In addition, they may use public-private partnerships to get access to even more resources. The IMF has been criticized for enforcing austerity measures and structural changes in return for financial aid, yet these funds provide an option (Forster et al. 2022). The European Stability Mechanism (ESM) and the Asian Monetary Fund (AMF) are two regional monetary organizations that provide aid to member nations in times of economic hardship. In turn, this strengthens the economies of these nations and lessens their reliance on the IMF (Hyun & Paradise, 2020; Suk & Paradise, 2019; Rovekamp, 2020). However, Islamic money funds offer funding by Shariah principles like profit and loss sharing and forbid interest-based transactions. This opens up a new avenue of financial support for Muslim-majority nations.

III. Investing in education and training programmes and forming partnerships with international organizations and professionals in the area may help developing nations achieve the technical knowledge required to establish and manage an RMF/ISMF. As a result, this may provide locals with the tools they need to manage financial systems and advance sustainable development efforts.

IV. For an RMF/ISMF to be successful, solid governance must be established. Creating streamlined decision-making procedures, open lines of responsibility, and accountability is essential for developing nations (Dick-Sagoe, 2022). Good governance and capable administration are crucial for an RMF/ISMF to be successful. The potential of these groups may be expanded by reducing their reliance on conventional financing sources and increasing their use of alternative fundraising strategies, such as bonds and other financial instruments. Increased collaboration with other international institutions, such as the World Bank and the IMF, may help RMFs and ISMFs expand their influence and reach. For RMFs and ISMFs to succeed, capacity building is also crucial. As a means to this end, it is essential to emphasize efforts that enhance member nations' ability to execute sound methods of managing money and establish effective governance and regulation systems.

V. Transparency, productivity, and access may all see significant boosts from using modern technologies (Astill et al. 2019). RMFs and ISMFs may take steps toward modernizing their operations and reaching a larger audience by investigating the use of technology. Promoting financial inclusion is an important goal for both RMFs and ISMFs. RMFs and ISMFs may play a significant role in fostering economic development and stability by implementing measures to expand access to financial services in developing nations via programmes like microfinance, digital finance, and other financial services.

VI. Developing nations with a Muslim majority should seek to match the principles and practices of the ISMF with their cultural and religious values, keeping in mind their people's specific requirements and viewpoints. This may improve the ISMF's ability to meet the needs and include the viewpoints of various groups, leading to greater success for its programmes and activities. The ISMF may gain the respect and confidence of its constituents and the attention of new audiences by adopting a strategy that considers their cultural norms and values. It is also crucial that these nations have a voice in the ISMF's strategic planning and decision-making procedures. This ensures that the ISMF is always responsive to the changing demands of Muslim-majority countries and that its initiatives are tailored to address the unique difficulties those nations face.

VII. The ISMF may become a more effective instrument for supporting financial stability and economic prosperity in the area if its principles and practices align with the growing Muslim-majority nations' cultural and religious values. In order to get RMF and ISMF up and running, developing nations may work with pre-existing organizations like the IMF, World Bank, and regional development banks to pool knowledge and resources. The RMF and ISMF may learn from these organizations' prior work with developing nations and tap into their connections to expand their influence and reach. In addition, the RMF and ISMF may better coordinate their efforts to solve regional economic difficulties and can pool their resources to achieve larger outcomes if they work together with these organizations.

VIII. The RMF and ISMF may benefit from increased credibility and legitimacy and access to money and investment if they work together with other existing organizations. By adopting these methods, developing nations will be better able to avoid the pitfalls that have plagued other attempts to establish RMF and ISMF and instead focus on building economically viable and culturally acceptable solutions.

RMFs and ISMFs might threaten the IMF hegemony in the international monetary system. Launching new regional or religiously oriented funds may be seen as a challenge to the IMF's position because of the IMF's long history of providing financial aid and policy guidance to its member nations. The IMF may see the introduction of RMFs and ISMFs as a threat to its hegemonic position in the international monetary system. The IMF can do more to promote economic development and financial stability in various regions of the globe if it collaborates with regional or religiously oriented funds.

3.3. Addressing Global Financial Imbalances and Promoting Financial Stability

The IMF is an intergovernmental organization whose members get financial aid, policy guidance, and enhanced institutional capabilities. For decades, it has been a prominent actor in international finance and has had considerable influence on the economic policies of its member countries (Georgieva & Weeks-Brown, 2023). There is a potential danger to its power and relevance, though, from the introduction of RMFs/ISMFs. The Asian Monetary Fund and the African Monetary Fund are only two examples of regional monetary institutions tailored to their respective areas' distinct monetary requirements (Fritz & Mühlich, 2019; Coulibaly et al. 2019). Countries in the area may become less reliant on the IMF if they have access to these funds as an alternative source of finance. If several nations in an area join a regional monetary fund, the IMF's influence over their economy may weaken. The establishment of an ISMF has the potential to undermine the IMF as well. When it comes to financing, nations that adhere to Islamic financial principles may find it helpful to have access to an Islamic monetary fund. As it loses its status as a prominent actor in the international financial scene, the IMF risks being mired in financial obligations as its influence dwindles. The IMF's capacity to resolve global financial imbalances and maintain financial stability would be hampered if member nations of these alternative funds were less subject to IMF oversight of their economic policies.

4. A SWOT ANALYSIS OF 'RMF/ISMF' AS ALTERNATIVES TO 'IMF'

Using a SWOT analysis, we can evaluate the merits, drawbacks, prospects, and risks of creating regional and Islamic monetary funds as IMF substitutes. The independence of new regional and Islamic monetary funds significantly benefits their establishment. These funds are less susceptible to outside interference and more able to respond to local conditions and cultural norms. These accounts are also more adaptable than others, allowing policymakers to respond to their areas' specific economic challenges. The IMF's policies may have unintended consequences, but governments may protect themselves from them by turning to regional or Islamic monetary institutions. In addition, there may be more openness and accountability in running these funds, with an eye toward promoting thrifty spending. There are limitations to think about. The funds do not have as much money as the IMF has, which would reduce their potential to help nations out on a grand scale. Moreover, these funds may not be able to give nations the same technical help as the IMF due to a lack of specialized experience. Moreover, although these regional funds may help a select few nations, the IMF can help countries all over the world.

Launching regional and Islamic monetary funds increases collaboration between nations, enabling them to work together to solve similar economic difficulties and promote regional stability. The freer movement of commodities, services, and money might be another benefit of these monies for regional integration. However, other possible dangers should be taken into account. There is a risk of political interference, which might compromise the funds' objectivity and legitimacy. Finding enough money to put into these accounts, particularly in the present economic climate, might be difficult. It is also possible that established organizations like the International Monetary Fund would push back, seeing these new funds as competition.

Independence, flexibility, control, and openness are only a few advantages that might result from establishing regional and Islamic monetary institutions as alternatives to the IMF. There are, however, constraints on these funds regarding personnel, knowledge, and scope, as well as possible dangers like political meddling and budget difficulties.

5. CREATING A UNIFORM CURRENCY FOR 'RMF/ISMF'

An alternative to the IMF is the possibility of a unified currency created by RMF and ISMF among its member nations. Trading goods and allocating financial resources across member nations would be simplified by a unified currency, as would the need for constant currency conversions. As a result, the RMF and ISMF would be less reliant on the IMF and more able to manage their economic policies and financial systems. However, developing a single currency is difficult and calls for extensive consultation and consensus among all member states. The stability and credibility of the currency also necessitate a solid and stable monetary and fiscal policy framework and a strong and resilient financial sector (Aguilar et al. 2023).

It is probable that RMFs and ISMFs, established to lessen the world's reliance on the IMF, may start using other currencies in their day-to-day dealings and funding distributions. The choice of currency is likely to be influenced by several criteria, including the currency's stability, usability, and level of acceptance among the member nations. The Chinese Yuan has been proposed as the preferred currency of the Asian Monetary Fund. This would coincide with China's efforts to increase the usage of the Yuan in international transactions and represent the country's rising economic power in the area. The Saudi Riyal might be used as the ISMF's base currency, symbolizing Saudi Arabia's status as the spiritual and geographical centre of Islam. The Saudi Riyal is an appropriate currency for the ISMF since it is extensively utilized in the Gulf Cooperation Council (GCC) nations and has a reputation for stability. RMF and ISMF member nations must carefully analyze and negotiate the pros and downsides of several currencies before settling on one.

6. MAJOR TAKEAWAYS

This research aimed to evaluate the SWOT of establishing RMFs and ISMFs as alternatives to the IIMF. The viability of this plan was examined by considering its relative strengths, weaknesses, opportunities, and dangers. A thorough examination of the pros and cons of establishing regional and Islamic monetary funds as IMF substitutes leads the research to this conclusion. On the one hand, these funds are better able to meet the specific requirements of certain areas since they are autonomous, adaptable, and have more say in monetary and fiscal policy. By addressing regional economic difficulties and bolstering regional stability, they have the potential to encourage greater international collaboration and integration. However, the study also highlights potential problems for these resources. Their lack of resources and competence may constrain the capacity of these institutions to offer extensive aid and technical support compared to the IMF. The legitimacy and reliability of these funds may be jeopardized if they were subject to political interference, financial difficulties, or opposition from preexisting organizations like the International Monetary Fund. These funds need sufficient resources and specialist knowledge to succeed in facing these hurdles. Further, measures are required to guarantee the legitimacy and independence of these funds while minimizing political interference. Finally, the study stresses the need for constant evaluation and adjustment to maintain the long-term viability of these funds. The study's goal is to help policymakers and stakeholders decide whether or not to undertake this effort by providing a detailed evaluation of the likely effect of RMF and ISMF on the area. The study's overarching purpose is to establish what measures should be taken to establish and sustain functional RMF and ISMF infrastructures.

7. GUIDING PRINCIPLES FOR IMPLEMENTING 'RMF/ISMF'

Given the findings of this research, the following policy suggestions should be considered by relevant decision-makers and stakeholders.

I. Launch regional and Islamic monetary funds to encourage collaboration and integration among nations to solve shared economic difficulties and enhance regional stability. The study aims to strengthen regional unity by resolving economic issues affecting all member states. To do this, the nations contributing to the monetary fund would work together to establish a shared vision and set of objectives for it and coordinate their economic and financial policies. Countries may promote regional stability and address shared economic issues by combining forces and exchanging information. Participating nations may lessen their reliance on global institutions like the International Monetary Fund when they establish a regional or Islamic monetary fund and have access to financing tailored to their unique requirements and values. As a result of this high degree of independence and autonomy, the regional economy may become more robust and less prone to shocks, which may contribute to peace and security in the area. The participating nations may strengthen their bonds and increase confidence by working together to overcome economic difficulties; this, in turn, can pave the way for more collaboration and integration in other spheres. Establishing regional and Islamic monetary funds allows nations to work together to combat economic issues and strengthen security in the area.

II. Make sure these funds have enough money and the right skills to help many people and provide lots of different kinds of help. All member nations experiencing financial challenges will benefit from the funds' extensive assistance and technical support. High inflation, high debt levels, and poor economic growth are common causes of monetary instability, although these problems may be mitigated with enough financing and technical assistance. It is crucial to ensure that the regional and Islamic monetary funds' financing and technical assistance are secure enough for the long haul. The funds will then be in a better position to aid member nations during times of economic crisis while also encouraging economic development and stability. The funds' capacity to offer member nations the financial and technical support necessary to execute efficient economic policies and reforms, therefore ensuring long-term financial stability and development, depends on the availability of sufficient resources and specialized knowledge.

III. Limiting political interference and monetary obstacles is crucial to maintaining the legitimacy and independence of regional and Islamic monetary funds. One way to do this is to restrict political interference in allocating this money. To achieve this goal, we must establish governance mechanisms that are both clear and open, and we must also ensure that these funds have the resources to carry out their missions. Too much reliance on a single source of money, for example, is one financial problem that has to be fixed. Regional and Islamic monetary funds are essential in addressing regional economic difficulties and promoting regional stability. However, their member nations can only trust them if they preserve their independence and credibility.

IV. Consider the possibility of pushback from established organizations like the IMF, and plan accordingly. People may be resistant because of anxieties about losing power, rivalry for financing, or conflicts regarding the additional money's intended purpose. Concerns about these issues may be allayed, and collaboration between current institutions and the new funds could be fostered if the proper measures were taken. Some potential approaches include spreading the word about the new money's intentions, overcoming financial obstacles, and encouraging inter-institution cooperation and data exchange. The legitimacy and independence of the new funds might also be safeguarded by measures like restricting political interference and establishing open and efficient governance mechanisms.

V. Keep an eye on regional and Islamic monetary funds, assessing their performance and making adjustments as necessary to guarantee their long-term viability. As part of this process, they must routinely evaluate their operations, financial resources, and influence on the nations they serve. Improvements may be made by analyzing how well they are doing, what areas need attention, and where they stand regarding success and relevancy. Keeping these funds successful and relevant to the requirements of their member nations requires constant adaptation to shifting economic and financial conditions.

In summary, establishing regional and Islamic monetary facilities as alternatives to the IMF presents a remarkable chance to advance regional economic stability and progress. These funds can boost national autonomy, national control, and international cooperation by facilitating the development of innovative and tailored responses to economic difficulties. The creation of such funds may also help diversify the international monetary system and lessen reliance on a single dominating agency like the IMF. As a result, this has the potential to strengthen the international economy and lessen the likelihood of widespread breakdowns. For this reason, policymakers and stakeholders must take these economic advantages into account and address this endeavor's obstacles and limits to guarantee its success and sustainability.

Ethical approval

Not Applicable.

Informed consent

The study was conducted with equal participation by all authors.

Conflicts of interests

The authors declare that there are no conflicts of interests.

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