

IMF bailouts: roads to stability or recipes for disaster.

(1) Introduction:

- (a) IMF (International Monetary Fund) is an organization of 190 countries, which is working to foster global monetary cooperation. IMF bailouts are recipes for disaster and it could be dumped in a long run as it challenges the sovereignty of the country by its harsh conditions.
- (b) Either IMF bailout package is gateway to stability or recipes for disaster.

(2) IMF bailout: ~~roads to stability~~ disaster

- (a) Conditioning loans with the implementation of certain economic policies
- (b) IMF's stubborn adherence to structural adjustment policies
- (c) Reducing the subsidies to public
- (d) Damaging the sovereignty of the country
- (e) It is a death trap as there is a need of loan to repay the loan.

(3) IMF bailout: roads to stability

- (a) IMF bailout provides immediate liquidity.
- (b) Bailouts usually comes with much needed reforms leading to regulated economy.
- (c) IMF backing can restore investor's confidence.
- (d) The IMF offers technical assistance and training to help countries

(e) It could lead to global economic stability

(4) IMF bailouts leads to economic disasters;

(a) Bailouts comes with much needed reforms but the harsh conditions leads to public service cuts and job losses.

(b) IMF's adherence to structural adjustment policies can cause challenges to public.

(c) It offers technical assistance but it can cause loss of national sovereignty.

(d) It could provide immediate liquidity but it can cause reduction to subsidies to public

(e) It could lead to economic stability but it is a debt trap so, it could be dump in long run.

(5) Conclusions;

A country's economic stability determines its world wide standing. Countries like America and China has risen and become developed but still there are many countries like Pakistan, which are heavily dependent on International Monetary Fund (IMF) for its economic stability. IMF is an International organization of 190 countries, which is working to foster global countries cooperation. IMF bailouts are recipes for disaster and it could be dumped in a long run as it challenges by its harsh conditionalities and implementation of certain economic (conditions) policies. IMF

and its adherence to Structural Adjustment Policies (SAPs) as they can cause many challenges for public. It asks government to reduce subsidies and it damages the sovereignty of country because for every policy government has to ask IMF first. It is a death cycle because a country has to take loan to pay another loan. IMF bailouts provides immediate loan but ~~it~~ it is only helpful for short run as it comes with much needed reforms and harsh conditionalities which leads to public service cut and job loss. It offers technical assistance but national sovereignty can be damaged by it because it forces governments to payback loan by cutting the subsidies. IMF is for creditors not for debtors. Its bailout packages lacks accountability. IMF packages are recipes for disaster.