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## Argumentative

IMF Bailouts: A Road to Stability or  
Recipe for Disaster  
Essay outline

### 1. Introduction:

Thesis statement: IMF bailouts have both negative and positive results. On one hand it helps countries to avoid economic default, on other hand it lead to severe socio-economic disparities. However, these bailouts are not a road to stability but a poisonous recipe for socio-economic disaster in long run for borrowers.

### 2. Decoding Principle working of IMF Bailouts (Thesis)

### 3. IMF Bailouts: A path with disastrous Destiny

a. IMF package is conditioned to multiply taxes; skyrocketing inflation in Sri Lanka

b. These bailouts are fatal to poor segments of society; Rise in poverty



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- c. It ~~widened~~ increase gap between upper and lower class division; American wealth disparity (Governing the Ungovernable)
- d. IMF bailouts demand negligible social spending; Rise in populist governments.
- e. Privatisation of SOEs lead to extraction of national wealth.

4. IMF Bailouts is an Avenue of Socio-economic Progress (Antithesis)

- a. An increase in taxes lead to ~~robust~~ national income; Obamaomics
- b. IMF bailouts aims at ~~bringing~~ economic prosperity for a country ~~as a whole~~; Vietnam case study of poverty elimination
- c. IMF policies stabilize countries in longer run; India case in point
- d. IMF helps countries to evade sovereign debt; Greece during Eurozone crisis
- e. IMF policies bring state-owned fractured institution on track.



5. Increasing dependency Hinders structural Economic Reforms ✓

a. Higher taxes lead to ~~rebel~~ <sup>rebellion</sup> against state ; social disorder

b. The bailouts increase dependency which ~~endanger~~ <sup>endanger</sup> freedom ~~endanger~~ <sup>endanger</sup> country's indep. sovereignty ✓

c. Trade liberalization damages local markets ; Prebisch Economic ✓ Hypothesis

d. IMF bailouts multiply external debt result in ~~unstable~~ <sup>instable</sup> budget years

e. private structure result in growth of oligarchy ✓

6. Conclusion



A.G "Debt is the secret foe of thrift, as vice and idleness are its open foes. The debt-habit is the twin brother of poverty" (Theodore Munger).

This means that debt under the umbrella of IMF bailouts is as harmful as poverty to any country's progress. But contrary to

T.S this IMF bailouts are perceived as an avenue of socio-economic progress due to temporary provisions of

~~avoiding sovereign debt.~~ However **financial assistance**

bailouts are poisonous recipe for economic disasters in longer run as they multiply poverty etc. This

O.T essay aims to contextualize negative impact of IMF bailouts and how these provisions are increasing dependency of peripheral countries on core states. It will also shed

light on how IMF bailouts are leading to the road of stability following by counterproductive of how it lead to socio-economic disasters.

Keep writing on different themes