

Expository Essay

IMF-dependent economy as challenge to national sovereignty

Outline

1. Introduction

IMF assist economies to develop but an excessive reliance on its loans can create significant challenges to national sovereignty. Economies depend on IMF due to multiple economic crisis such as BOP, budget deficit and high expenditures. However, these challenges to national sovereignty can be mitigate by adopting long term economic effective policies based on ground realities.

2. IMF reliance undermining national sovereignty

3. Why economies depends on IMF

- a. More expenditures than revenue of economies
- b. Budget deficit
- c. Poor governance of economies
- d. Mismanagement of human and capital resources
- e. Climate calamities caused damage to states
- f. Balance of Payment (BoP) crisis

4. What sovereignty challenges IMF dependent economies are facing

- a. Intervention of IMF in internal affairs of economies
- b. Enforce restrictions of economies
- c. Increase in debt ratio with interest rate
- d. IMF weakens decision making autonomy of a state
- e. Loss of trust of foreign investors in economy
- f. IMF undermine a states ability to govern efficiently

5. How IMF-led Sovereignty Challenges can be mitigated

a. Rely on other sources than external loan like taxation

b. Reduce BoP crisis by increasing exports

c. Long term plans on economic policies based on ground realities.

6. Conclusion