

IMF bailouts - roads to stability or recipe for disaster

① Introduction

Thesis Statement:

IMF bailout may ensure short-term stability for a developing country but in the long term, the bailouts prove to be the disaster as it makes a country and its overall policies dependant.

② Bailout as a Debt Trap

- ① Due to bailout repayments, country's resources are challenged towards debt service.
- ② Excessive bailouts makes a country insolvent.

3 Bailout as Hindrance in Progress

- ① Excessive tariffs are levied on commodities.
- ② Industries are shut down.

④ Institutional Dependency

- ① Monetary institution becomes dependent: State Bank
- ② Diplomatic institution becomes dependent

⑤ Bailout Compromises Economic Policies

- ① ^{High interest based economy} Country's currency is depreciated
- ② Excessive bailout results in economic crisis

⑥ Monetary Dependency

- ① Country's currency is depreciated.
- ② Monetary policies become dependent.

7 Political Polarization

- ① IMF bailout results in ~~blame~~^{blame} game.
- ② widens gap between political leaders and parties

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8 Rise in Debt Culture

⑨ Bailout as Inflation Bomb

10 Compromised Sovereignty

① loss of decision making authority

② influence of external actors

Conclusion