

# Expository Essay

## IMF-dependent economy as challenge to national sovereignty

### Outline

#### 1. Introduction

IMF assists 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~~ challenges such as BOP, budget deficit and high expenditures. However, these challenges to national sovereignty can be mitigated by adopting long term economic ~~effective~~ policies based on ground realities.

#### 2. IMF reliance undermining national sovereignty

#### 3. Why economies depends on IMF

- a. Unnecessary details of structures 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 are IMF dependent economies are facing?

- a. Intervention of IMF in internal affairs of ~~economies~~ countries ✓
- 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 undermines a state's ability to govern efficiently ✓

5. How IMF-led Sovereignty Challenges can <sup>be</sup> mitigated

a. Relyance on other sources ~~than~~ <sup>for</sup> external loan like  
Sanation Full form

b. Reduce BoP crisis by  
increasing exports

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

b. Conclusion

The topic has not been adequately  
addressed