

# IMF Bailouts:

## Road to Stability or Recipe of Disaster

### Outline

#### 1. Introduction

1.1 Attention grabber: A nation on its 24<sup>th</sup> bailout in 75<sup>th</sup> years yet again unwisely hopes that this time things will be different.

1.2 Supporting sentence

1.3 Thesis statement: Despite several bailouts Pakistan's economy is unlikely to improve as it struggles with paying off rising dollar denominated debt, treasury draining interest payments, and the loss of economic sovereignty to IMF policies. The policies do not address structural problems of broad social unrest. All together, the bailouts encourage a cycle of economic indiscipline.

## 2. Understanding the IMF Bailouts in Pakistan's Context.

- 2.1. Brief history of previous bailouts ✓
- 2.2. Brief explanation of current economic crises ✓
- 2.3. Current bailout and conditional policies ✓

## 3. IMF Bailouts as a Road to Stability

- 3.1. Improves budget deficit ✓
- 3.2. Improve balance of payment ✓
- 3.3. Conditional policies encourage better economic planning ✓
  - a) Cutting unsustainable subsidies ✓
- 3.4. Success stories of South Korea, Singapore and Indonesia ✓

## 4. IMF Bailouts as a Recipe for Disaster

- 4.1. Difficult to pay off Dollar-denominated debt ✓
- 4.2. Interest payments drain the treasury ✓
  - a) Pakistan pay 57% of GDP as interest ✓
- 4.3. Loss of economic sovereignty to IMF policies ✓
- 4.4. Policies do not address structural problems ✓
  - a) Corruption and inefficient spending ✓
- 4.5. Unpopular policies need social unrest ✓
  - a) Raising tax on pensioners ✓ pensioners

b) Cutting subsidies

#### 4.6 Encourage a Cycle of Indiscipline

a) Pakistan on 24<sup>th</sup> bailout in 75 years

#### 5) Conclusion

Give few arguments about solution

5.1 Restate thesis statement: The Pakistani economy does not show hopeful signs of improvement after bailouts as it battles high debt in dollars, rising interest payments and losing control to IMF policies. The social unrest bred from the policies and the ignoring of structural issues spell bad things to come. In the end, the cycle of indiscipline is encouraged.

5.2 Summary

5.3 Concluding sentence.