Answer

1. Introduction

International Monetary Fund (IMF) was the product of Bretton -Woods Conference in 1944. The conference aimed at preventing wealth inequality and reduce geopolitical rivalries by creating intergovernmental pillars which support the structure of world's economic financial order. However, by 1970s the Keynesian economic system began to crumble and the global economy slowed down. IMF had to adjust its lending and monitoring policies in a way that in some cases it defibrillated economies. The IMF began to fund economies if they followed newly emerged neoliberal economic thought. The one-size-fits-all policies imposed by IMF

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along with creating debt dependent economies signalled to some that IMF was pursuing debt trap policies. During this time the U.S had absorbed the vacuum left behind by European colonial powers by pursuing neocolonial policies and practices. Thus, IMF's perception and practical reality in some states began to turn towards the negative side.

Keep the introduction a bit brief

2. IMF - A Neocolonial Institution

2.1 Intended Functionality of IMF

IMF was created to maintain an orderly system of payments by mitigating sudden variations in exchange values of national currencies. Moreover, IMF was to force a code of conduct among member nations to ensure a balance was preserved. The system was to work if nations relinquish some measure of their sovereignty.

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2.2 Shift of IMF Policies

The Bretton-woods system essentially collapsed in 1971-73. By 1980s, IMF had expanded into long term structural adjustment programs, marking a departure from initial role. By 1990s, IMF had become increasingly involved in managing global financial crisis, promoting free-market reforms and addressing poverty issues. The economic reforms, austerity measures, SAPs, and bailout packages initiated the controversy of IMF's negative role and impact.

2.3 Analysing IMF as a Neocolonial Institution

IMF's extended role and increasing involvement by 1990s had moved it further away from its initial mandate. IMF's perceived influence on the economic and political policies of developing nations started the accusation of IMF being labelled as a neocolonial institution.

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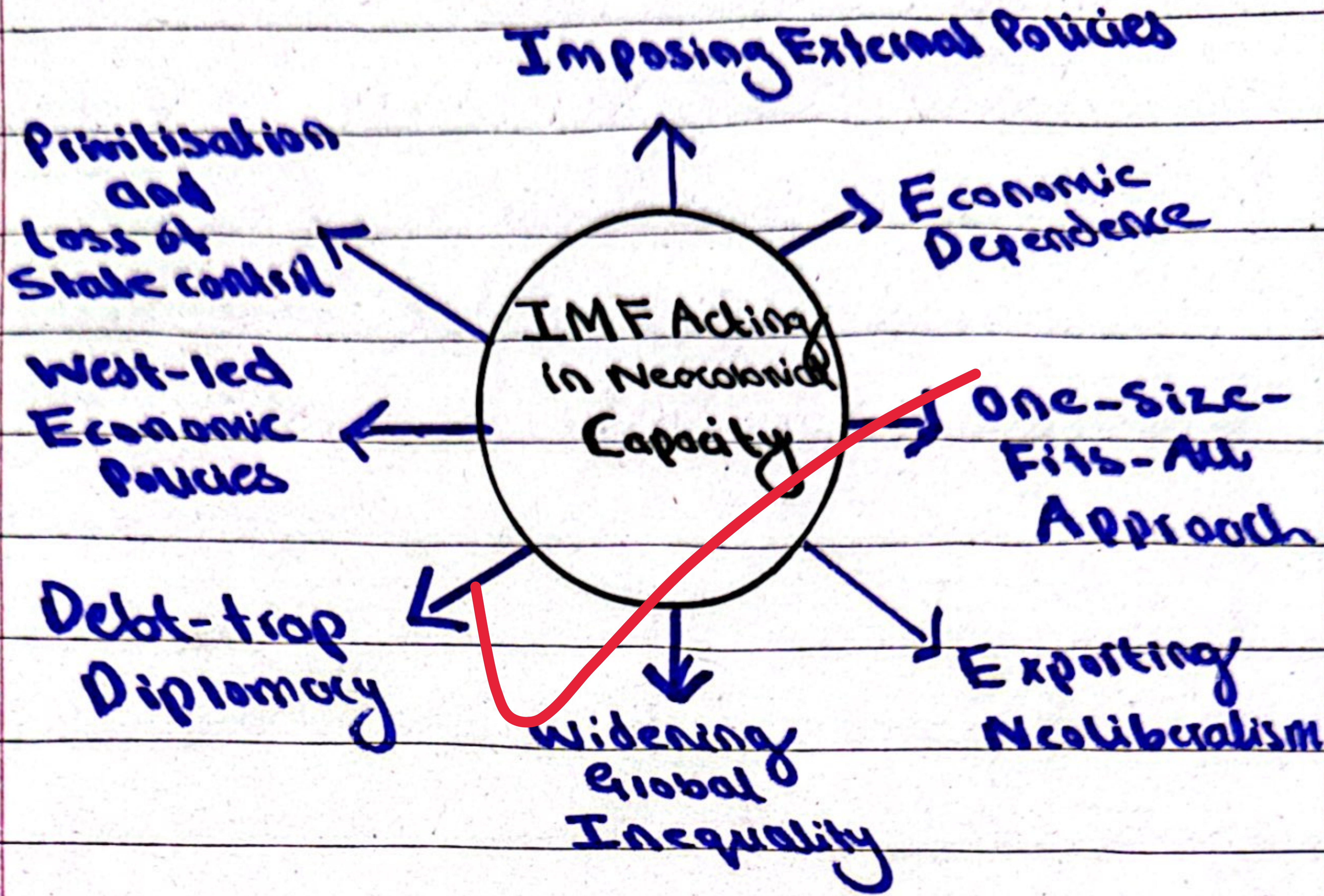


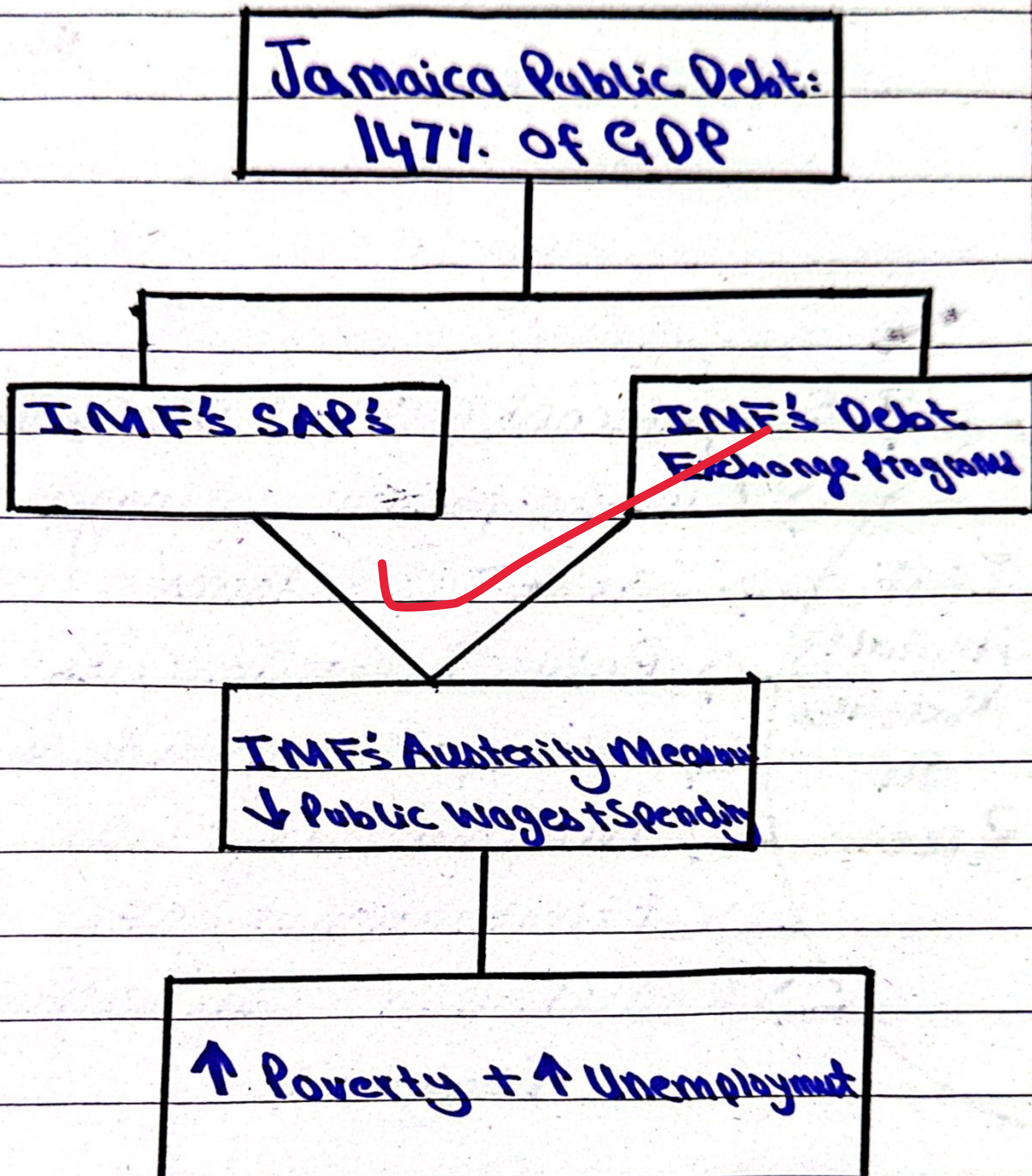
IMF's policies indicated that it operates as a neocolonial institution as Western nations benefitted disproportionately while developing nations were trapped under immense amount of debts and dependency with weakened governance structures internally.

3. Case-Studies Proving IMF is Truly a Debt-Trap

3.1 Case Of Jamaica: Debt Trap Example

Jamaica faced significant economic

Challenges after engaging into multiple IMF programs



IMF's fiscal restrictions on Jamaica which They believe would stabilize The economy backfired leading to prolonged economic stagnation and social disorder. IMF's measures had led Jamaica into a debt trap.

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3.2 Greece: Debt Trap Example

After the 2008 Global financial Crisis, Greece turned to IMF for assistance. Within the agreement, IMF insisted on austerity measures which were Severe. Eventually, IMF imposed the following Austerity measures:

IMF Austaity Measures on Greece

- → Significant Cut to Public Spending
- → Cutting pensions and wages
- → Strict Tax Reforms
- → Public Sector Job Cuts
- → Selling off National Assets
- → Minimum Wage Cuts
- → Privatisation of SOEs
- → Reduction in Social Welfare Programs

These measures led Greece into a prolonged period of recession, unemployment rate crossed 25%, poverty rates surged, and economic sovereignty was decreased. IMF's policies had pushed Greece into a debt trap, making the economy vulnerable and dependent on external financial support.

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4. Examining The Success and Criticism on IMF

4.1 Supportive Stance on IMF

Despite numerous IMF failures, some argue in support of IMF. IMF's role in Iceland with $2.1bn program and series of economic reforms allowed currency stabilisation, fiscal consolidation, and the country returned to significant economic growth. Another successful case was of India who was facing a severe balance of payments crisis post-Soviet fall in 1990s. IMF, stepped in, provided a $2.2bn loan along with certain neo-liberal reforms. Infrastructure development, reducing import tariffs, deregulating markets, and encouraging foreign investment. India economic growth was witnessed post-IMF reforms.

Attempt these parts by giving subheadings

4.2 Counter-argument: Comparing Success of IMF versus Failure

IMF's policies and reforms were successful in Iceland and India but

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failed in Jamaica and Greece primarily due to difference in approach, and imposition of one-size-fits-all policy without evaluating initial internal problems

Iceland + India	Greece + Jamaica
1. Stronger Initial Economic Strength	1. Deeply rooted structural weakness
2. Greater control of IMF-led reforms	2. Externally imposed Austerity measures without ownership
3. Balanced IMF conditions with own policy flexibility	3. Forced into harsh austerity measures without own flexibility
4. Focus on implementing deeper structural reforms	4. Focus remained on short term fixes
Result: • Economic growth • No debt trap • Long-term positive reforms	Result: • Economic stagnation • Recurrent debt problems

The difference between the successes and failures indicated that IMF's excessive reliance on austerity measures where it find suitable or beneficial leads to deeper economic issues. As the policies can't be pre-determined, thus IMF can be classified truly as a debt trap.

5. Conclusion

IMF is truly a debt trap. The organisation is not purely ~~as~~ economic in nature and operates to serve powerful states by dominating and

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exploiting weaker nations as per will and broader geopolitical interests. The fundamental principle of austerity measures is a direct encroachment of sovereignty and despite IMF's cases of success, it broadly has contributed in exploiting the developing world leading to economic crisis or long cycles of debt.