



# PUBLIC FORUM DEBATE

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## **APRIL 2021**

## **ADVANCED PUBLIC FORUM**

## **BRIEF**



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## **Topic Evolution**

April is a huge competitive month for many teams across the country. First and foremost, the University of Kentucky's Tournament of Champions is held in the middle of the month. This tournament is incredibly important to a lot of teams across the country, as their season has been spent earning bids at national circuit tournaments and it all culminates at the TOC. On top of this, many districts are finalizing the qualifiers for NSDA Nationals, the other major tournament in the competitive season. April is the last month for qualifiers to be held, so many teams are working throughout the month to ensure they have a good shot at qualifying. This makes April one of the most important months for competition for a great deal of teams throughout the country.

In terms of the topic, the major arguments that have emerged have been regarding the specific examples of IMF intervention. There's a reason that "actions speak louder than words" is a common phrase, and this topic emphasizes that. It is much easier to gain an understanding of how the IMF functions when examining how it has responded to past crises rather than looking to what it may discuss, so teams have elected to focus their attention on case study-type analyses in which they delve deeper into specific cases of IMF intervention and examine the results. Of course, this particularly includes an examination of Greece, perhaps the most famous case of IMF intervention, but also spans Ireland, Brazil, Asia, Argentina, and more.

On the aff side of the topic, teams are contextualizing the IMF's abilities in terms of the economic issues brought on by the COVID-19 pandemic. This, of course, has a great deal of pathos right now, as it's something many people can understand and empathize with as we have all felt the effects. The IMF was created to respond to disasters such as the one we have at present, so it is imperative to assess how the Fund is handling economic issues at present. There are also some historical examples that have been used to explain how the IMF can benefit countries. On the neg, though, teams are of course discussing some more high-profile instances of the IMF's work not addressing the issues in the way it was supposed to. Here, they cite the examples of Greece, Argentina, Ecuador, and a great deal of examples that have a lot of literature behind them. However teams choose to utilize past examples, there is a lot of debate to be had over who exactly is to blame for problems and whether the IMF can be thanked, making for a very interesting April topic!

## **Further Reading and Classroom Resources**

### **General and FYI**

Ba, Alice D. "Asian financial crisis | Causes, Effects, & Facts." Encyclopedia Britannica. Last accessed 25 Mar. 2021. <https://www.britannica.com/event/Asian-financial-crisis>

Council on Foreign Relations. "Greece's Debt Crisis Timeline." Council on Foreign Relations. Last accessed 24 Mar. 2021. <https://www.cfr.org/timeline/greeces-debt-crisis-timeline>

Information Of Interest. "IMF Lending." International Monetary Fund. 22 Feb. 2021. <https://www.imf.org/en/About/Factsheets/IMF-Lending>

Masters, Jonathan and Chatzky, Andrew. "The IMF: The World's Controversial Financial Firefighter." Council on Foreign Relations. 20 Aug. 2020. <https://www.cfr.org/backgrounders/imf-worlds-controversial-financial-firefighter>

**Pro - Climate Response**

Harvey, Fiona. "Helping poorest tackle climate crisis will boost global growth, says IMF head." The Guardian. 25 Jan. 2021. <http://www.theguardian.com/environment/2021/jan/25/helping-poorest-tackle-climate-crisis-will-boost-global-growth-says-imf-head>

Plant, Mark. "What Should We Ask from the IMF on Climate Change?" Center For Global Development. 3 Apr. 2020. <https://www.cgdev.org/blog/what-should-we-ask-imf-climate-change>

Shalal, Andrea. "IMF to intensify focus on climate change's economic impact, Georgieva." Reuters. 25 Jan. 2021. <https://www.reuters.com/article/imf-climate-int-idUSKBN29U1KI>

**Pro - Emergency Relief**

Gallagher, Kevin P. "The Role of IMF in the Fight Against COVID-19: The IMF COVID-19 Recovery Index." Boston University Global Development Policy Center. 15 Sept. 2020. <https://www.bu.edu/gdp/2020/09/15/the-role-of-imf-in-the-fight-against-covid-19-the-imf-covid-19-response-index/>

Information Of Interest. "IMF Financing and Debt Service Relief." International Monetary Fund. 16 Mar. 2021 <https://www.imf.org/en/Topics/imf-and-covid19/COVID-Lending-Tracker>

Summers, Kay and Gutner, Tamar. "How Will the IMF Help the World Recover from COVID-19?" American University. 16 Apr. 2020. <https://www.american.edu/sis/news/20200416-how-will-the-imf-help-the-world-recover-from-covid-19.cfm>

**Pro - Responding to COVID**

O'Brien, Matt. "Stop blaming the IMF for everything." The Washington Post. 13 May 2014. <https://www.washingtonpost.com/news/wonk/wp/2014/05/13/stop-blaming-the-imf-for-everything/>

**Pro - Gender Equality**

Brodsky, Sarah. "Women's Economic Empowerment at the Forefront of International Financing." The Impactive. January 23, 2018. <https://www.theimpactivate.com/womens-economic-empowerment-at-the-forefront-of-international-financing/>

Information Of Interest. "Gender and IMF, Gender in the workforce." International Monetary Fund. Last accessed 26 Mar. 2021. <https://www.imf.org/external/themes/gender/>

**Con - COVID Loans**

Oxfam. "Over 80 per cent of IMF Covid-19 loans will push austerity on poor countries" ReliefWeb. 12 Oct. 2020. <https://reliefweb.int/report/world/over-80-cent-imf-covid-19-loans-will-push-austerity-poor-countries>

Oxfam International. "IMF paves way for new era of austerity post-COVID-19." Oxfam International. 12 Oct. 2020. <https://www.oxfam.org/en/press-releases/imf-paves-way-new-era-austerity-post-covid-19>

**Con - Inaccurate Assessments**

Coppola, Frances. "The IMF Has Learned Nothing From The Greek Crisis." Forbes. 28 Oct. 2018. <https://www.forbes.com/sites/francescoppola/2018/10/28/the-imf-has-learned-nothing-from-the-greek-crisis/>

Weisbrot, Mark. "The IMF is hurting countries it claims to help." The Guardian. 27 Aug. 2019. <http://www.theguardian.com/commentisfree/2019/aug/27/imf-economics-inequality-trump-ecuador>

**Con - Causes Poverty**

Mitchell, Daniel J. "How the IMF Keeps Sub-Saharan Africa in Poverty." Mises Institute. 10 May 2018. <https://mises.org/wire/how-imf-keeps-sub-sahara-africa-poverty>

Mutize, Misheck. "Why South Africa shouldn't turn to the IMF for help." The Conversation. 16 Feb. 2021. <http://theconversation.com/why-south-africa-shouldnt-turn-to-the-imf-for-help-82027>

Shah, Anup. "Structural Adjustment—a Major Cause of Poverty." Globalissues.org. 24 Mar. 2013. <https://www.globalissues.org/article/3/structural-adjustment-a-major-cause-of-poverty>

Wilhelm, Jan. "The IMF Comeback in Africa." Deutsche Welle. 14 Sep. 2018. <https://www.dw.com/en/the-imf-comeback-in-africa/a-45489734>

**Con - Corruption**

Peksen, Dursun. "Economic Sanctions and the Politics of IMF Lending." University of Memphis. 25 Jan. 2018. [https://www.tandfonline.com/doi/full/10.1080/03050629.2018.1429427?casa\\_token=gUVoEz78mAAAAAA%3AsLXgQRw1NB2\\_hA\\_28s4hyL9VtZsRUtkHPXZj4PloyVq8zecQGsfayZy1vMJ-2eaVRicuH98Ox-xLw](https://www.tandfonline.com/doi/full/10.1080/03050629.2018.1429427?casa_token=gUVoEz78mAAAAAA%3AsLXgQRw1NB2_hA_28s4hyL9VtZsRUtkHPXZj4PloyVq8zecQGsfayZy1vMJ-2eaVRicuH98Ox-xLw)

## Pro Evidence

**The IMF considers climate change to be an important concern, and they are adjusting their operations to prioritize the environment**

Shalal, Andrea. "IMF to intensify focus on climate change's economic impact, Georgieva." Reuters. 25 Jan. 2021. <https://www.reuters.com/article/imf-climate-int-idUSKBN29U1KI>

**IMF Managing Director Kristalina Georgieva told the Climate Adaptation Summit that global economic output could expand by an average 0.7% annually over the next 15 years and millions of jobs could be created if carbon prices rose steadily and investments expanded in green infrastructure.** “We see climate as a fundamental risk for economic and financial stability, and we see climate action as an opportunity to reinvigorate growth, especially after the pandemic, and to generate new green jobs,” Georgieva said. She said **the IMF was taking action in four areas to accelerate the transition to a new low-carbon and climate-resilient economy. Georgieva said the Fund would launch a new “Climate Change Dashboard” this year to track the economic impact of climate risks and the measures taken to mitigate them, a key step to ensuring the needed shift.** “Climate resilience is a critical priority,” she said. “This is why we place it at the heart of what do, this year and (in) the years to come.” The Fund is also integrating climate factors into its annual economic country assessments, also known as Article IV consultations, focusing on adaptation in highly vulnerable countries, and carbon pricing in its assessment of large emitters, Georgieva said. In addition, she said **the IMF is adopting enhanced stress tests and standardizing disclosure of climate-related financial stability risks in its financial-sector surveys, and expanding its training and support to help central banks and finance ministries take climate considerations into account.**

**To help countries cope with the economic issues resulting from the pandemic, the IMF is making \$250 billion available to member countries**

Information Of Interest. "IMF Financing and Debt Service Relief." International Monetary Fund. 16 Mar. 2021 <https://www.imf.org/en/Topics/imf-and-covid19/COVID-Lending-Tracker>

**The IMF is providing financial assistance and debt service relief to member countries facing the economic impact of the COVID-19 pandemic.** This page provides an overview of assistance approved by the IMF's Executive Board since late March 2020 under its various lending facilities and debt service relief financed by the Catastrophe Containment and Relief Trust (CCRT). **Overall, the IMF is currently making about \$250 billion, a quarter of its \$1 trillion lending capacity, available to member countries. As part of the COVID19-related rapid arrangements, borrowing countries have committed to undertake governance measures to promote accountable and transparent use of these resources.**



## The IMF was created for situations like the COVID-19 pandemic, which is why over 100 countries turned to the Fund in 2020

Gallagher, Kevin P. "The Role of IMF in the Fight Against COVID-19: The IMF COVID-19 Recovery Index." Boston University Global Development Policy Center. 15 Sept. 2020.

<https://www.bu.edu/gdp/2020/09/15/the-role-of-imf-in-the-fight-against-covid-19-the-imf-covid-19-response-index/>

**The COVID-19 pandemic came as an unprecedented shock to the world economy and many countries had to quickly resort to aid of the IMF. The central banks and finance ministries of most advanced economies swiftly advanced swap lines, domestic liquidity support, and expansionary fiscal measures to shore up dollar markets and provide lifelines to the vulnerable. Few emerging markets and developing countries had access to these measures and lacked their own monetary or fiscal space to confront the virus, protect the vulnerable, and mount a sustainable recovery.** Indeed, the pandemic panic and very act of securing dollar markets resulted in a ‘flight to safety’ in the form of the largest levels of capital flight from emerging market and developing countries recorded. Exchange rates subsequently plummeted and external debt ballooned across the developing world at a time when tourism dropped alongside commodity prices—leaving fewer sources of export revenue to pay foreign debt. **At exactly the time when many developing countries needed the fiscal space to fight the virus and protect their economies, they were faced with mounting external debt.** Both the IMF and the United Nations Conference on Trade and Development (UNCTAD) estimate that **liquidity needs for emerging markets and developing countries in 2020 alone was least \$2.5 trillion and that over 100 countries went to the IMF for emergency support** (Wheatley, 2020; Georgieva, 2020a; UNCTAD, 2020). On April 9, 2020, **IMF Managing Director Kristalina Georgieva** said that ‘These are the times for which the IMF was created – we are here to deploy the strength of the global community, so we can help shield the most vulnerable people and revitalize the economy’ and **committed the IMF to a four point ‘all hands on deck’ approach to the crisis that would focus on supporting health systems, protecting vulnerable firms and people, containing financial panic, and mounting a recovery”** (Georgieva, 2020b). Over ten times between April and July of 2020, Georgieva and senior staff articulated that it is essential that ‘for our world is to become more resilient—we must do everything in our power to promote a ‘green recovery’ (Georgieva, 2020c). Expanding on this notion, IMF Deputy Managing Director Tao Zhang emphasized that a green recovery should promote a just transition. That means assisting vulnerable households, workers, regions, and trade-exposed or fuel producing firms. And using carbon pricing revenues in broad tax reductions or public investments that boost growth and benefit all households. (Zhang, 2020).

## The IMF was arguing for a more lenient approach in Greece and has been adjusting its policies based on its responses to past crises

O'Brien, Matt. "Stop blaming the IMF for everything." The Washington Post. 13 May 2014.

<https://www.washingtonpost.com/news/wonk/wp/2014/05/13/stop-blaming-the-imf-for-everything/>

But the IMF has become, if not cuddly, at least clear-eyed, in the wake of the Great Recession. Other organizations like the Bank for International Settlements (BIS) and the Organization for Economic Cooperation and Development (OECD) have been busy inventing reasons to ignore textbook economics and tighten policy despite high unemployment and low inflation. The BIS went so far as to warn in 2011 that "growth must slow" — yes, really — if we were going to keep the inflation monster from coming out under the bed. **The IMF, though, has kept its head firmly out of the sand. Now, it did, against its better judgment, go along with the draconian Greek bailout. But, unlike the 1990s, it was the one arguing for a more lenient approach, only to be overruled by the European Commission. It's also shown that austerity hurts more than policymakers typically assume it does in a zero-interest rate world; that, in econospeak, the fiscal multiplier is unusually high now. Not only that, but it's found that within reasonable limits, redistribution actually tends to help growth by decreasing inequality. And, finally, the IMF warned about the dangers of "lowflation," which can push economies into long slumps by making it harder for wages to adjust and debtors to deleverage.** Indeed, Lagarde has called on the ECB to do more, and do it now, to get itself out of its self-imposed trap. Anti-austerity, pro-redistribution, and pro-inflation. This isn't your father's IMF, even if your father grew up in the 1990s. It's an IMF that realizes depression economics works differently from regular economics.

## The IMF has taken great strides to promote women's empowerment

Brodsky, Sarah. "Women's Economic Empowerment at the Forefront of International Financing." The Impactive. January 23, 2018. <https://www.theimpactivate.com/womens-economic-empowerment-at-the-forefront-of-international-financing/>

Recognizing the high cost of gender inequality both in individuals' lives and in national economies, international organizations have begun working to address the problem. **The IMF has made gender equity the focus of recent conferences, including its conference on gender and macroeconomics and its conference on fiscal policy and gender equality. These events publicize the results of the organization's research on the subject, such as its project on gender budgeting** conducted in partnership with the United Kingdom's Department for International Development. **This work evaluates the use of national fiscal policy to actively promote women's economic development**, surveying countries' policies and their effects on women's participation in the labor force. But **the IMF's work extends beyond academia. On social media, the organization has created the #IMFGender campaign to publicize stories of women who are striving for empowerment through entrepreneurship, economic development, and other initiatives.**

**The IMF is crucial in times like the present and has never been more necessary than it is during the global economic turmoil of the pandemic**

Summers, Kay and Gutner, Tamar. "How Will the IMF Help the World Recover from COVID-19?"

American University. 16 Apr. 2020.

<https://www.american.edu/sis/news/20200416-how-will-the-imf-help-the-world-recover-from-covid-19.cfm>

**In times of global economic crisis, the International Monetary Fund's (IMF) role in stabilizing the international monetary system and addressing financial sector issues that bear on overall global stability becomes critical. In the case of COVID-19—with its unique dual impacts on global public health and the global economy—the role of the IMF is perhaps more vital than ever in its history.** In the midst of the IMF spring meetings, we got a few minutes to speak with SIS professor Tamar Gutner, who recently concluded a Council on Foreign Relations fellowship with the Independent Evaluation Office (IEO) of the IMF. She talked us through how the IMF is responding to the seismic impacts of COVID-19 on the financial sector and economies worldwide. Q: The head of the IMF, Kristalina Georgieva, recently said that the coronavirus pandemic has created the worst global economic crisis since the Great Depression. What is the typical role of a global financial institution like the IMF in economic crises? **The IMF is the "go to" international financial institution for many countries in times of economic and financial crisis, and it is again today. Countries are turning to the Fund for emergency financing and for advice on how to stabilize their economies and address the many macroeconomic implications of the crisis. It is also an important source of economic forecasting and research.**

## Con Evidence

### **Over 80% of the IMF's COVID loans push for restrictive and harmful economic measures for poor countries**

Oxfam. "Over 80 per cent of IMF Covid-19 loans will push austerity on poor countries" ReliefWeb. 12 Oct. 2020. <https://reliefweb.int/report/world/over-80-cent-imf-covid-19-loans-will-push-austerity-poor-countries>

**Over 80 per cent of the International Monetary Fund's (IMF) Covid-19 loans recommend poor countries hit hard by the economic fallout from the pandemic adopt tough new austerity measures in the aftermath of the health crisis,** Oxfam warned today. New research shows that **since the pandemic was declared in March, 76 out of 91 IMF loans** -- 84 percent - negotiated **with 81 countries** push for belt-tightening that **could result in deep cuts to public healthcare systems and social protection. It comes after the World Bank projected that up to 115 million more people will fall into extreme poverty this year, the first increase in more than two decades. Ana Arendar, Oxfam Head of Inequality Policy said:** "At a time when the progress against poverty is being set back decades, this is exactly the wrong instruction for the IMF to be giving poor countries. **It is** nothing short of **unacceptable that the IMF is using its power to make life harder for people already struggling to survive.** Millions more people are likely to be left without healthcare or income support while they search for work, thwarting any hope of a sustainable recovery.

**The IMF is pushing poorer countries to save money by cutting programs that help the poorest people and implementing measures that will disproportionately harm the underprivileged**

Oxfam International. "IMF paves way for new era of austerity post-COVID-19." Oxfam International. 12 Oct. 2020. <https://www.oxfam.org/en/press-releases/imf-paves-way-new-era-austerity-post-covid-19>

The IMF's own research shows austerity worsens poverty and inequality, yet it is encouraging countries which receive loans to roll back inequality-busting measures put into place since the beginning of the pandemic:

- Ecuador: healthcare and burial services collapsed in April, yet the government has been advised by the IMF to backtrack on increases in healthcare spending and stop cash transfers to people unable to work. The IMF and Ecuador recently agreed a \$6.5 billion loan, which includes cuts to fuel subsidies which poor people rely on. A year ago, Ecuador's president, Lenín Moreno, was forced to cancel a disputed IMF-backed austerity package after protests left several dead.
- **Nine countries** including Angola and Nigeria **are likely to introduce or increase the collection of value-added taxes (VAT), which apply to everyday products like food, clothing and households supplies, and fall disproportionately on poor people.** Unemployment in Nigeria has surged to 27 percent, the highest in at least a decade.
- **14 countries** including Barbados, El Salvador, Lesotho and Tunisia **are likely to freeze or cut public sector wages and jobs, which could mean lower quality of healthcare and fewer nurses, doctors and community workers in countries already short of healthcare staff.** Tunisia had just 13 doctors per 10,000 people when COVID-19 struck. In Costa Rica, protests have erupted against the government for seeking a \$1.75 billion loan from the IMF in exchange for austerity measures, including public sector wage freezes.

**The IMF's assessment of the economic problems in Ecuador is incredibly inaccurate, and thus, their solutions are wrong**

Weisbrot, Mark. "The IMF is hurting countries it claims to help." The Guardian. 27 Aug. 2019.

<http://www.theguardian.com/commentisfree/2019/aug/27/imf-economics-inequality-trump-ecuador>

The overall impact of this large fiscal tightening will be to push the economy into recession. **The IMF's projections are for a relatively mild recession until next year, but it will likely be much deeper and longer – as often happens with IMF programs. Unemployment will rise – even the IMF program projections acknowledge that – and so will poverty.** One reason that it will likely turn out much worse than the IMF projects is that **the program relies on assumptions that are not believable. For example, the IMF projects that there will be a net foreign private sector inflow into the economy of \$5.4bn** (about 5% of GDP) **for 2019–2022. But if we look at the last three years, there was an outflow of \$16.5bn** (17% of GDP). What would make foreign investors suddenly so much more excited about bringing their money to Ecuador? Certainly not the recession that even the IMF is projecting. There are other implausible assumptions and even some that result from accounting errors, and sadly they all go in the same direction. It seems that the program's "expansionary austerity" – something that almost never happens – is unlikely to make Ecuador into a world-famous exception, where the economy grows as aggregate demand is slashed. The program also seeks to reshape the economy in ways that, to many Ecuadorians, would appear to be political. The central bank will be made more autonomous; public assets will be privatized; and labor law will be changed in ways that give employers more unbridled power over workers. **Some of these changes** – for example, the separation of the central bank from other government decision-making – **will make economic recovery even more difficult.**

## The IMF's handling of Argentina's financial problems proves it has not learned from past mistakes and continues to prescribe poor solutions

Coppola, Frances. "The IMF Has Learned Nothing From The Greek Crisis." Forbes. 28 Oct. 2018.  
<https://www.forbes.com/sites/francescoppola/2018/10/28/the-imf-has-learned-nothing-from-the-greek-crisis/>

So, is there going to be monetary expansion? After all, Argentina is not like Greece. It issues its own currency, so it can simply print more of it. No. Far from it. **To bring inflation down, the IMF specifies that the monetary base must be fixed, and interest rates must be maintained at their current level of over 60%, or even higher** if necessary: it cheerfully cites two examples of adjustment programs that “successfully” employed fixed monetary base regimes with interest rates exceeding 100%. The consequences of this for businesses, households, and the economy as a whole, don’t bear thinking about. **The exchange rate will be allowed to float, which** in a less indebted country might bring some relief through currency depreciation, but **in Argentina just makes debt default even more likely**. The central bank can intervene in FX markets to dampen large exchange rate swings, but if it sells U.S. dollar reserves to support the exchange rate, the pesos it purchases must be permanently removed from circulation. **This all adds up to a severe monetary contraction**, not expansion. So **the IMF is prescribing concurrent fiscal and monetary contraction, for an economy already in recession and with unemployment over 9% and rising**. I’m sure that the men and women who are going to lose their jobs, and those who won’t be able to find jobs that pay enough to keep their families, will be really impressed with the IMF’s childcare allowances. Not.



## **The IMF has a history of destabilizing countries and even admits that it has imposed reforms that have increased inequality**

Wilhelm, Jan. "The IMF Comeback in Africa." Deutsche Welle. 14 Sep. 2018.

<https://www.dw.com/en/the-imf-comeback-in-africa/a-45489734>

**The reform packages** came with the so-called "Washington consensus" prescriptions, which comprised a reduction in agricultural and industrial subsidies, tax cuts, the privatization of state entities and free trade policies. But, rather than ensuring economic upswing, the reforms **exacerbated the economic problems of the recipient countries.** "All things considered, **one can say these adjustment programmes were not successful,**" said Rainer Thiele, an Africa expert at the Kiel Institute for the World Economy in Germany. In fact, **most countries had their repayment difficulties in check in the short term,** Thiele told DW. **However, they subsequently failed to make it onto the "long-term growth path."** Meanwhile, even IMF economists **criticize the organization's methods. In an internal paper published in journal in 2016, the authors said that at least some of the reforms that were imposed in the past had led to more inequality and hampered economic growth.**

## **The IMF is a tool used by the US and the powerful member nations to block effective economic aid to other member nations**

Peksen, Dursun. "Economic Sanctions and the Politics of IMF Lending." University of Memphis. 25 Jan. 2018.

[https://www.tandfonline.com/doi/full/10.1080/03050629.2018.1429427?casa\\_token=gUVoEz7\\_8mAAA%3AsLXgQRw1NB2\\_hA\\_28s4hyL9VtZsRUtkHPXZj4PloyVq8zecQGslfayZy1vMJ-2eaVRicuH98Ox-xLw](https://www.tandfonline.com/doi/full/10.1080/03050629.2018.1429427?casa_token=gUVoEz7_8mAAA%3AsLXgQRw1NB2_hA_28s4hyL9VtZsRUtkHPXZj4PloyVq8zecQGslfayZy1vMJ-2eaVRicuH98Ox-xLw)

We posit that countries under economic sanctions are unlikely to receive IMF loans despite their economic and financial troubles that often worsen following the sanctions imposition. The IMF might deny funds to target countries as the US and other major sender countries are likely to use their influence in the IMF lending decisions. Sender countries are likely to block IMF credits to make sure that IMF programs do not undermine the intended economic damage inflicted by the sanctions to induce concessions. Our data analysis supports the theoretical expectation that target countries are unlikely to receive IMF credits, especially when sanctions are most cost sanctions, imposed for non-human rights purposes, or initiated by the US or IGOs. Our findings challenge the notion that the IMF is primarily tasked with helping all IMF member countries in need to ease their economic and financial problems and reaffirm the assertion that the IMF is used as a foreign policy tool by powerful countries. A strand of the IMF literature shows that IMF loans are used by the US and other influential countries to maintain the loan recipient country's strategic cooperation in the international arena. We contribute to this line of research by providing novel evidence that IMF programs can also be used by sender countries as an instrument to further strengthen the imposed sanctions.