

Title: International Monetary Fund: Helping Nations Recover or Regress

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Abstract: The International Monetary Fund (IMF) was formed for the purpose of aiding nations economically and financially during crises. However, its aid and loans have come under increased scrutiny as of late for their long term effects on the concerned countries development. This paper aims to examine whether the IMF's programs and interventions are truly aiding development and recovery or hindering progress by enforcing restrictive policy conditions, specifically, in Africa. By using data from case studies and comparative economic reviews, this paper will assess the outcomes of the IMF's aid, primarily focusing on countries such as Ghana, Rwanda, and Zambia. Certain themes are reiterated and discussed in more detail when discussing the impact of the IMF such as: imposed austerity, loss of political autonomy, neo-imperialism, and the social consequences. Recommendations are made for context-sensitive loaning practices and the relooking of certain conditionalities in the loans lended.

IMF involvement background: The IMF was founded in the year 1944 with the aim of promoting international monetary cooperation, facilitating expansion and balanced growth in international trade, and maintaining exchange arrangements among its members.¹ In addition to this, it works to help all member states achieve sustainable economic growth and prosperity through numerous ways.² They monitor economic and financial developments in countries and provide advice on policies when required,³ give technical assistance and training to help governments implement stronger and more beneficial policies,⁴ and most often, in the cases of under-developed or developed countries, provide conditional loans and financial aid when countries face crises to allow for easier implementation of adjustment policies.⁵ These loans often come with Structural Adjustment Programs (Conditionalities). These are reforms or changes a government must make in exchange for loans. While these conditions are aimed at removing underlying problems in the domestic policies of countries and, in low-income countries, also having an additional objective of reducing poverty, critics have pointed out that they often result in the opposite.⁶

Historical Context and Present day Policy: The International Monetary Fund's presence in Africa can be traced back to the 1960s when African countries started to gain independence from colonialism. However, major intervention only started in the 1980s and 90s. Some examples of these interventions are: the Structural Adjustment Facility Commitment, Enhanced Structural Adjustment Facility, and the Rapid Financing Instrument. The legacy of the structural adjustment policies implemented at the time are debatable with some saying that they laid the groundwork for recovery while others have criticised their impacts on long-term development and for worsening poverty and quality of life for lower and middle class citizens.⁷ However, as of late, the IMF has been implementing policies which often safeguard spending on healthcare and education, to try and reduce the impact on the poor. There has also been a relative decrease in austerity and they have also started offering a wider range of programs for different

¹ International Monetary Fund. 2023. LII / Legal Information Institute. 2023. https://www.law.cornell.edu/wex/international_monetary_fund.

² International Monetary Fund. 2024. "The IMF at a Glance." International Monetary Fund. 2024. <https://www.imf.org/en/About/Factsheets/IMF-at-a-Glance>.

³ IMF. 2018. "IMF Policy Advice." IMF. 2018. <https://www.imf.org/en/About/Factsheets/IMF-Surveillance>.

⁴ INTERNATIONAL MONETARY FUND. 2019. "IMF Capacity Development." IMF. 2019. <https://www.imf.org/en/About/Factsheets/imf-capacity-development>.

⁵ IMF. 2019. "IMF Lending." International Monetary Fund. 2019. <https://www.imf.org/en/About/Factsheets/IMF-Lending>.

⁶ International Monetary Fund. 2023. "IMF Conditionality." IMF. March 2023. <https://www.imf.org/en/About/Factsheets/Sheets/2023/IMF-Conditionality>.

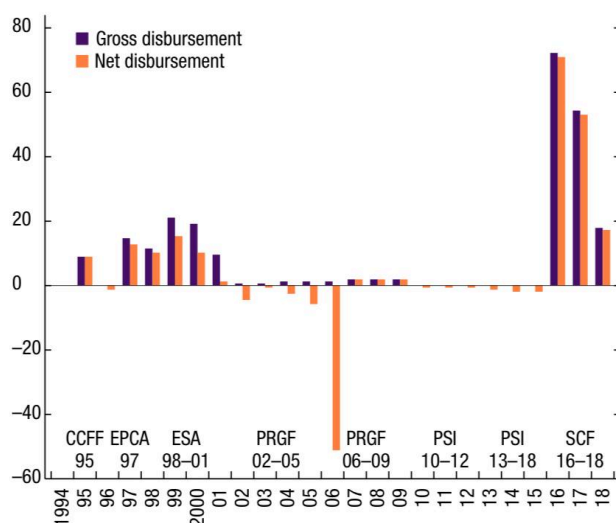
⁷ Vaz, Ricardo. 2025. "Africa's Faustian Bargain with the International Monetary Fund." Tricontinental: Institute for Social Research. May 13, 2025.

<https://thetricontinental.org/dossier-faustian-bargain-imf-africa/>.

sorts of crises. Eg. Rapid Credit Facility (RCF) and Extended Credit Facility (ECF). The RCF provides immediate low-access financial assistance to qualifying Low Income Countries (LICs) facing an urgent balance of payments need from a wide variety of circumstances, including external shocks, etc.⁸ Whereas, the ECF assists LICs in implementing policies that steadily move towards a secure and sustainable macroeconomic position.⁹ While RCF provides immediate financial assistance often with no additional conditionality, ECF provides financial assistance over the course of many years often with many conditionalities and associated policies which must be worked on and implemented. These programs, albeit more structured to different needs, also have drawbacks. The main ones being: The RCF's probability in increasing dependency of countries and difficulties countries might face in the future when asking for immediate help if they already have pending debts. Whereas, the ECF raises concerns about limited participation of civil society in the implementation of these programs, and rigid austerity measures which are disproportionately affecting the poor in these countries.

Case Study 1- Rwanda: Intervention in Rwanda first started after the Rwandan genocide and economic crisis post 1994. The genocide resulted in the loss about 1 million lives, increase in orphans and poverty, and contraction of GDP by 50%. This left them at an alarming low of \$146 per capita while the poverty rate skyrocketed to 78%. Since then, the GDP has tripled, and poverty has been reduced to 38%.¹⁰ In the post-conflict period, Rwanda has placed a high priority on maintaining macroeconomic stability, including in the face of various external shocks. Most of these policies are aimed at improving the handling of state owned enterprises, domestic revenue mobilization, and public finance management digitization.¹¹ The country has sought almost continuous intensive program engagement with the IMF since 1995, despite scarce access to IMF financing in the first decade of the 21st Century (Figure 1).

Figure 1. Rwanda: IMF Net Disbursements



Source: IMF Finance Department Database

8 International Monetary Fund. 2023. "The Rapid Credit Facility (RCF)." IMF. 2023. <https://www.imf.org/en/About/Factsheets/Sheets/2023/Rapid-Credit-Facility-RCF>.

9 International Monetary Fund. 2023. "The Extended Credit Facility (ECF)." IMF. 2023. <https://www.imf.org/en/About/Factsheets/Sheets/2023/Extended-Credit-Facility-ECF>.

10 Laure Redifer et al., "The Development Path Less Traveled : The Experience of Rwanda," 2020, <https://www.imf.org/-/media/Files/Publications/DP/2020/English/DPLTEREA.ashx>.

11 International Monetary Fund. 2024. "IMF Executive Board Concludes the Fourth Reviews under the Policy Coordination Instrument and the Resilience and Sustainability Facility, and the Second Review under the Stand-by Credit Facility for Rwanda." IMF. December 13, 2024.

<https://www.imf.org/en/News/Articles/2024/12/13/pr-24469-rwanda-imf-concludes-4th-rev-under-pci-and-rsf-and-2nd-rev-under-stand-by-cred-facility>.

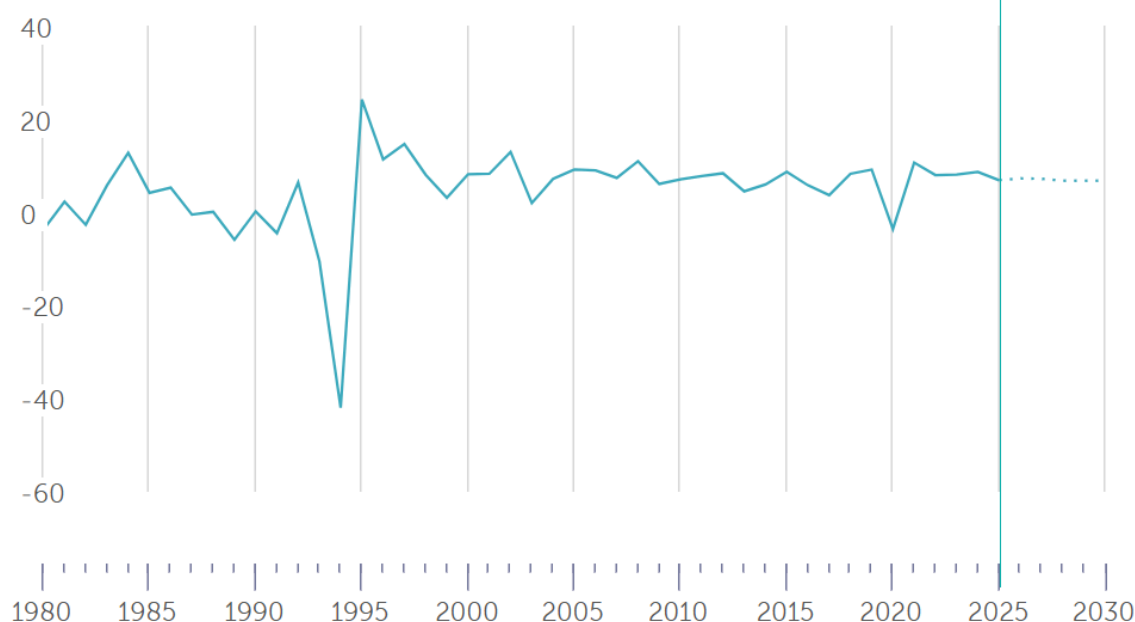
These close engagements with the IMF over the years have allowed for careful planning of domestic and monetary policy in Rwanda. An example of this is, withdrawal of donor support in 2012, which increased technical advice to increase domestic revenues and reduce reliance on aid inflow for development.¹²

The outcomes of these policies can be analysed by looking at the GDP growth, social indicators and debt sustainability as a result of these policies. In the early 1980s IMF involvement wasn't extensive but external loans started growing. Real GDP growth at the time was -3.6 percent. This went further down especially in 1991-93 during the time of the Rwandan genocide where real GDP growth dropped further to a shocking -41.9 percent (Figure 2). By 1995 this had increased by nearly 25% because of immediate IMF action and policies which focused on recovery in food production, commercial services, and some manufacturing activities.¹³ From 1995 - 2025 the mean real GDP growth has been 8.37. This is a stark difference from before IMF involvement and wouldn't have been possible without intervention in 1995 and loans.

Figure 2. Rwanda: Real GDP Growth

TREND (1980-2030)

Annual percent change



Source: IMF Real GDP Growth datamapper

Although many steps have been taken by Rwanda to reduce poverty, the rate is still higher than other African countries with similar income levels. Using the international poverty line of \$2.15 2017 PPP, the incidence of poverty fell from 66 percent in 2005-06 to 52 percent in 2016-17 and was projected to fall

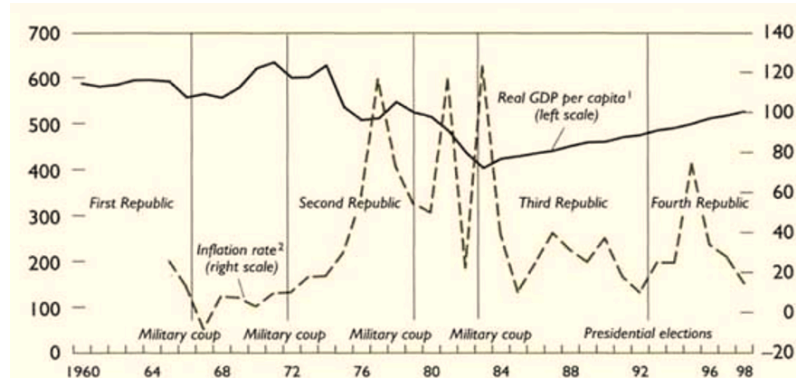
¹² Laure Redifer et al., "The Development Path Less Traveled : The Experience of Rwanda," 2020, <https://www.imf.org/-/media/Files/Publications/DP/2020/English/DPLTEREA.ashx>.

¹³ IMF Press Release No. 97/19 (IMF, April 22, 1997), titled "IMF Approves Emergency Post-Conflict Assistance for Rwanda"

further to 48.1 percent in 2019 on the back of strong growth in GDP and private consumption.¹⁴ However, there has been a gradual weakening of the relation between economic growth and poverty reduction. While each percentage point increase in GDP per capita corresponded to a 0.36 percentage point decline in poverty between 2005/06 and 2010/11, it fell to 0.24 between 2010/11 and 2016/17.¹⁵ The results of poverty decline are also more concentrated in urban settings as compared to rural areas, where it continues to be a pressing issue. After the onset of the Covid-19 pandemic some of these gains were reversed and poverty rose again. However, future reductions are expected to be modest, hardly enough to offset population growth. On top of this, inequality remains high. This weakening relation between economic growth and poverty reduction is due to multiple reasons such as: the uneven distribution of economic growth, due to which the poorest sectors of Rwandan society, particularly in rural areas, may see little to no improvement in living conditions. Additionally, the conditionalities imposed on some of these loans may often prompt the government to cut social spending to focus more on sustainable growth, clean energy and macroeconomic management. This adversely affects the poor as, many people who would rely on state programs for basic necessities may now not be able to access them. Rwanda also has a noticeable dependency on foreign aid due to its lack of infrastructure for exporting, and relatively lesser foreign direct investment compared to other African countries.¹⁶ While there has been a recent increase in effort to reduce dependency, IMF aid still accounts for over 40% of its national budget.¹⁷

Case Study 2 - Ghana: Ghana gained independence in the year 1957 and by 1960, became a republic under Kwame Nkrumah who had ambitions to turn Ghana into an industrial power. However, heavy spending, falling cocoa prices, and rising debt led to economic strain. Nkrumah was overthrown in 1966, and successive governments failed to halt the decline, Facing inflation, low productivity, and a mismanaged currency in the 1970s. The 1980s became the boiling point for Ghana's troubles with inflation reaching over 100%, peaking at 122.2% and Real GDP fell to its lowest point (see Figure 3).

Figure 3. Ghana's Inflation (Right Scale) and Real GDP (Left Scale)



Source: IMF International Financial Statistics

¹⁴ World Bank. 2023. "Poverty & Equity Brief, Africa Eastern & Southern, Rwanda," April.

https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_RWA.pdf.

¹⁵ World Bank. 2023. "Poverty & Equity Brief, Africa Eastern & Southern, Rwanda," April.

https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_RWA.pdf.

¹⁶ Roux, Alize le. 2023. "Could FDI Be Rwanda's Lifeline as Donors Pull the Plug? | ISS Africa." ISS Africa. 2023.

<https://issafrica.org/iss-today/could-fdi-be-rwandas-lifeline-as-donors-pull-the-plug>

¹⁷ Roux, Alize le. 2023. "Could FDI Be Rwanda's Lifeline as Donors Pull the Plug? | ISS Africa." ISS Africa. 2023.

<https://issafrica.org/iss-today/could-fdi-be-rwandas-lifeline-as-donors-pull-the-plug>

This marked the first major instance of IMF intervention. Under Jerry Rawlings the Economic Recovery Program (ERP) was initiated in 1983 and lasted till 1986 in collaboration with the IMF and the World Bank. Under this program, efforts at liberalization and modernisation of the external sector were made by shifting to a more market-oriented approach. Meaning that government intervention was minimised. This made significant progress in reducing macroeconomic imbalances. Though inflation decreased and there was an appreciation in real per capita incomes, inflation was still volatile, which discouraged private investment, hindering economic growth. Export growth in particular remained disappointing and Ghana remained dependent on foreign aid.¹⁸

1986 was the start of the implementation of Structural Adjustment Programs (SAPs). It aimed to open up Ghana's economy to international trade by reducing tariffs and other trade barriers. This was done with the intent of improving efficiency in domestic industries, and promoting economic growth. There were efforts to increase the privatisation of previously state owned industries in order to take load off of the government and huge amounts of public reforms and fiscal discipline. There is often scrutiny over the fact that some of these policies may have only been accepted as a condition in exchange for future loans. In 2015 Ghana faced a huge economic crisis fueled by various factors such as: a depreciating currency, rising inflation, and most importantly, a massive scale power crisis known as 'Dumsor'. After a brief 'boom' in the economy in 2011 and 2012, the economy gradually slowed down, and in 2014, the national currency of Ghana, the Cedi, lost approximately 40% of its value. Perhaps the most notable period of this crisis was in 2014, when Ghana spent about 159 days of blackout in 2014 alone. To add to that, equipment failures sometimes caused unscheduled power outages.¹⁹ This was caused by low rainfall, affecting operations of hydro-electric plants, and issues with contract obligations to external partners. The government's response to this was to take a credit loan from the IMF of \$918 million on the conditions of public spending, freezing wages, and making further structural reforms.²⁰

All of these crises and their management by the government and the IMF display a common trend of high focus on fiscal discipline, debt management, inflation control and imposed austerity and cuts sidelining public care. Visibly all the way from 1986 till even the 2015 power crisis, though GDP increased and macroeconomic growth did happen, core underlying issues such as poverty worsened. With cuts in public spending the already prevalent income gap worsened. Additionally, strict fiscal discipline and austerity in exchange for loans meant increased reduction of spending on public healthcare and education, raising concerns. The events in the 2015 crisis led to a decrease in value and benefits of pensions and an overall decrease in purchasing power for the pensioners. This would have had an adverse effect on retired pensioners, particularly those from lower income backgrounds, making them much more prone to hardship.

Additionally, Ghana as a country is heavily reliant on their exports, particularly cacao, petroleum products and gold. It was noted that in 2024 gold, petroleum, and cocoa collectively accounted for 78.2% of

¹⁸ Ghanaian authorities in collaboration with the staffs of the International Monetary Fund and the World Bank. 1998. "Policy Framework Papers--Ghana--Enhanced Structural Adjustment Facility, Economic and Financial Policy Framework Paper, 1998-2000 - Text." [Www.imf.org](https://www.imf.org/external/np/pfp/ghana/ghana0.htm). March 9, 1998. <https://www.imf.org/external/np/pfp/ghana/ghana0.htm>.

¹⁹ Adusah-Poku, Frank. 2022. "Power Demand in Ghana Has Dipped after Every Crisis: The Drivers and Consequences." *The Conversation*. May 31, 2022. <https://theconversation.com/power-demand-in-ghana-has-dipped-after-every-crisis-the-drivers-and-consequences-182464>.

²⁰ Survey, I. M. F. 2015. "IMF Survey : Ghana Gets \$918 Million IMF Loan to Back Growth, Jobs Plan." IMF. 2015. <https://www.imf.org/en/News/Articles/2015/09/28/04/53/socar040315a>.

Ghana's total export revenue.²¹ And while this provides a good source of income, it makes them even more prone to external shocks and price volatility. Due to the repeated crises faced by Ghana economically, the democratic structure has been tested numerous times and exposed weaknesses and lacking points within the government in times of need. This has led to public dissatisfaction, particularly in the lower sections of society. This state of public affairs could potentially lead to higher proneness of the government to future shocks, or even civil unrest if not worked on. The reason for the lack of action concerning these matters may be traced back to the fact that most interactions between Ghana and the IMF have been to target short-term economic and GDP growth and crisis management instead of sustainable development. Ghana has also often sought out loan bailouts from the IMF, these practices if prolonged may unintentionally lead to a cycle of dependency. Underlying issues are often not addressed or worked on, making it highly likely that a crisis repeats itself because the root cause is not being fixed.

Case Study 3 - Zambia

The IMF's intervention in Zambia was a result of failed measures taken by Kenneth Kaunda's government in the 1970s after the 1973 oil crisis and falling copper prices. Zambia's economy at the time was heavily reliant on copper exports, with copper accounting for more than 90% of exports, and was deeply affected by the decrease in prices (see table 1). It caused fiscal deficits and balance of payment problems. To deal with this Kaunda's government tried to centralise major industries and industrialise rapidly, however, the increase in public spending, borrowing and subsidies caused a huge amount of external debt to mount up.

Table 1: Contributions of copper to GDP, government revenue and exports, 1970–1980

Year	GDP %	Government revenue %	Exports %
1970	36	58	97
1975	13	13	93
1976	17	3	94
1977	11	–	94
1978	12	–	94
1979	18	–	96
1980	17	6	80

Source: Burdett 1984:209

With pressure and debt mounting up, Zambia turned to the IMF and World Bank for help first in 1973. It then entered a Structural Adjustment Program with multiple other subsequent programs being implemented through the 1970s. The primary aim of these programs was to control the budget deficit, improve export competitiveness, and reduce reliance on copper exports. To achieve these goals the SAP pushed for various structural changes such as: limiting government spending, restricting wage increases, lowering the value of the Zambian Kwacha, and encouraging the development of other sectors. In its 1976 second stand-by arrangement with the IMF stricter adjustments were imposed on Zambia, most notably

21 Agambila, Dorcas. 2025. "The 10 Biggest Contributors to Ghana's Export Revenue in 2024." Business Insider Africa. March 10, 2025.

<https://africa.businessinsider.com/local/lifestyle/the-10-biggest-contributors-to-ghanas-export-revenue-in-2024/f549m3q>.

some being: a 20% devaluation of the currency, ceilings on money supply and government credit. However, the programs failed to successfully aid recovery and Zambia continued to face balance-of-payment difficulties. There were also social consequences of these programs. Cuts in public spending led to a decrease in access to healthcare and education, widespread job loss left many people without an income and few future prospective jobs, there was also a noticeable erosion in economic security. Additionally, existing inequality and conditions for vulnerable populations worsened.

Between the late 1970s and the early 1990s, Zambia's economy was gripped by a series of crises that stemmed from structural weaknesses and external shocks. Over-reliance on copper exports left the country highly vulnerable to fluctuations in global commodity prices; when copper prices plummeted, national revenues collapsed, driving GDP growth into prolonged stagnation. From 1975 to 1991, per capita income fell by 2.6% annually (see table 2), reflecting a steady decline in living standards despite sporadic periods of recovery. Inflation worsened these problems, rising from moderate levels of around 15% in the early 1980s to hyperinflation rates nearing 190% in the early 1990s, eroding purchasing power and devastating household savings.²² Meanwhile, growing fiscal deficits, averaging 13.8% of GDP during the 1980s, forced Zambia to rely on heavy external borrowing, doubling its foreign debt to over 200% of GDP by 1990. Servicing this debt often consumed more than the country's entire export revenue, leaving little room for public investment in essential services.

Table 2: Zambian GDP Growth Since Independence

Period	Average real GDP growth, %	Average real GDP per capita growth, %
1965 - 1974	3.92	0.62
1975 - 1991	0.67	-2.62
1992 - 1998	0.29	-2.29
1999 - 2011	5.26	2.62
1965 - 2011	2.56	-0.38

Source: World Bank: World Development Indicators, 2012

In response, Zambia turned to the International Monetary Fund (IMF) and the World Bank for support, entering a series of structural adjustment programs aimed at stabilizing the economy and restoring growth. These programs implemented sweeping reforms, including currency devaluation, trade liberalization, removal of subsidies, and privatization of state-owned enterprises. While intended to reduce deficits and curb inflation, these policies came at significant social and economic costs. Public spending cuts undermined healthcare and education, wage freezes weakened household incomes, and rising prices sparked widespread discontent and protests. Although some fiscal stabilization was achieved, living standards deteriorated sharply, and debt dependence deepened as Zambia repeatedly rescheduled payments under IMF oversight. By the early 1990s, the combined effects of economic contraction, hyperinflation, and unpopular austerity measures culminated in political change, as President Kenneth

²² World Bank Info. 2024. "Inflation Rates in Zambia." Worlddata.info. 2024. <https://www.worlddata.info/africa/zambia/inflation-rates.php?>

Kaunda's socialist government was replaced by Frederick Chiluba's reformist administration, which pushed further liberalization. Zambia's experience during this period illustrates how commodity dependence, poor fiscal management, and externally driven adjustment policies intersected to create a cycle of economic collapse and social hardship that reshaped the nation's political and economic trajectory.

In 2020 Zambia defaulted on their piling debts and entered negotiations with the IMF for debt relief. The situation was further exacerbated by the Covid-19 pandemic and as a result, it was granted a loan worth \$1.3 billion.²³ However, the negotiations were a far more complicated matter than anticipated as, to restructure debts the IMF needed assurances from all major creditors (France, UK, and China) promising that they would help restructure in a sustainable manner. Additionally, approximately 46% of their debt is owed to private lenders who often charged much higher interest rates.²⁴ This caused large delays and complications during negotiations as, China wanted to restructure on its own terms and private lenders were unwilling to give up more than China (comparability clause). On top of this, private lenders were unwilling to accept 'haircuts' - the reduction in a loan amount compared to an asset's value - as a result of which, it took all the way till 2022 for Zambia and the IMF to finally secure a relief deal. This too came with conditions, mostly entailing stringent austerity measures, and large cuts in public spending. There was an expected 'nudge' in inflation and with the removal of subsidies on fuel and expected increase in electricity tariffs there would have been an adverse effect on the poor households and despite an increase in public spending on healthcare, problems such as increasing prices of medicine and socio-economic factors may be hindering equitable access to and distribution of healthcare.

Comparative Analysis: All three case studies display similar trends of intervention during peak inflation and economic crisis post independence, followed by the introduction of Structural Adjustment Programs in the name of intervention. These programs result in erratic growth and inflation rates preceding gradual macroeconomic growth at the expense of social welfare, sustainable growth, and living standards. There is a noticeable increase in poverty and marginalisation visible across all three case studies along with an increasing frequency of dependency on loans and crises through the years. However, the extent of macroeconomic growth has been different in all three case studies, with Rwanda showing the most development due to continuous engagement with the IMF over the years with a strong focus on state owned industries as compared to case studies 2 and 3 where primary interactions with the IMF have been for the purpose of crisis management and there has been a push towards privatization of state owned enterprises instead.

The country's responses to IMF policies all had common features though they differed in some aspects. All countries showed a worsening income gap between the rich and poor, and a growing divide in the relation between economic development and poverty reduction, implying unsustainable growth policies. Additionally, development came to a standstill or even regressed as a result of Covid-19 in 2020. In terms of economic growth, Rwanda evidently showed the most growth, with real GDP of 7.1% in 2025 while Ghana and Zambia displayed a real GDP growth of 4% and 6.2% respectively.²⁵ While there is some

23 Dehghan, Saeed Kamali. 2022. "Crisis-Hit Zambia Secures \$1.3bn IMF Loan to Rebuild Stricken Economy." The Guardian, September 2, 2022, sec. Global development. <https://www.theguardian.com/global-development/2022/sep/02/crisis-hit-zambia-secures-13bn-imf-loan-to-rebuild-stricken-economy>.

24 Inman, Phillip. 2022. "Lenders Urged to Cancel Zambia Debt as Country Faces Economic Collapse." The Guardian. September 16, 2022. <https://www.theguardian.com/world/2022/sep/16/zambia-debt-lenders-urged-to-cancel>.

25 International Monetary Fund. 2022. "IMF Country Information." IMF. 2022. <https://www.imf.org/en/Countries>.

economic growth visible, in terms of poverty in Rwanda, Ghana and Zambia, 63.84%, 39.03%, and 71.66% of the populations live below the international \$3 poverty line.²⁶ As for debt levels, all three countries showed a cycle of dependency on IMF aid, with these loans accounting for large amounts of their national budget.

Key Critiques and Alternative Perspectives: The policies implemented by the IMF in each of these countries have come under scrutiny over the years for various reasons. Some of the main concerns focus on how these policies enable neo-colonialism, strict austerity, and follow one-size-fits-all solutions. Through IMF conditional loans and a growing cycle of dependency powerful nations practicing neocolonialism use conditional loans, cultural influence, and economic dominance to shape another country's foreign policy, often under the guise of offering economic help. While the power imbalance is less direct than in traditional colonialism, these nations maintain control by keeping other countries financially dependent or under significant political sway. Within the IMF, much of this influence rests in the hands of wealthier member states.²⁷ This concern can also be seen being voiced out by other African leaders such as Ibrahim Traoré, who raised the issue of puppet rulers in his speech at the AES summit. Another major concern is the forced austerity imposed as a result of the conditionalities. Large cuts in public spending have resulted in the crippling of public healthcare and education, and further disproportionately affect low-income households, and increasing social inequalities.

However, there has indeed been macroeconomic development under the IMF policies; with the guidance of experts, efforts at long-term planning, and stabilization. Debt relief and cancellation from the IMF allowed for more expenditure towards other areas of the government and reduction in external debt in Ghana and Zambia. Rapid GDP growth was noticed in Rwanda from the 2000s - and onwards, generally averaging between 7%-8%. Additionally, it also allowed renewed investor confidence in Zambia and Rwanda, which helped in improving growth of GDP. The IMF also worked to improve inflation rates in all three countries and was able to achieve this to a certain extent. However, the domestic policies of governments in power also affected the development of these countries in context to implemented policies. The difference in the results of these policies in Rwanda, and Ghana and Zambia lie here. The government in Rwanda was much less corrupt and aligned domestic policy with the goals of IMF programs. This meant that funds provided were more likely to be well-targeted, increasing the overall efficiency of the programs. While, in Ghana and Zambia, political leadership was not as effective in meeting the goals targeted. In Ghana, program goals aiming at fiscal deficits were often hindered due to excess spending before elections. Additionally, due to their struggles with public debt transparency have led to repeated engagements with the IMF for the same. Similarly, in Zambia, IMF sustainability goals were repeatedly undercut due to high borrowing without adequate revenue growth, and due to the unpopularity of the IMF among the public, it would often delay agreements so as to not anger public opinion close to elections.

Recommendations: In order to correct these gaps in the aid provided, it is not only the IMF that is liable to take steps, but also the respective governments. The IMF would be able to aid recovery better if adds reforms to its conditionality clauses by ensuring the protection of key areas of public spending - such as

26 International Monetary Fund. 2022. "Poverty and Inequality Platform." [Pip.worldbank.org](https://pip.worldbank.org). 2022. <https://pip.worldbank.org/country-profiles/ZMB>.

27 Chen, Joyce. 2021. "Neocolonialism and the IMF." *Harvard Political Review*. October 21, 2021. <https://harvardpolitics.com/neocolonialism-imf/>.

healthcare and education - and focuses on more context specific fiscal strategies by taking into account various factors such as: realistic revenue projections, avoiding excessive lending, ensure sustainable debt levels are maintained, flexibility towards unexpected shocks, and standby counter-cyclical measures in case of sudden shocks or recessions. A less crisis-triggered intervention would also be much more helpful in helping nations recover rather than waiting for a crisis to occur before intervention or aid is provided, and gradual implementations of programs would be better so as to prevent civil unrest at immediate radical changes. It is also important to ensure that local experts will also be involved in the program designs as, it allows for better understanding of social and political evolving situations in a country.

As for the governments of these countries, it would be beneficial if before entering negotiations with the IMF they strengthened their bargaining positions by forming strong alliances among countries and ensuring that the deals agreed on align with national development plans of the governments rather than approaching these loans as donations or a vital part of their national income. Along with this, a strong focus on reducing illicit flow of money would further aid the development of these nations by preventing loss of valuable income. The setting up of a contingency fund would also aid these countries in future crises by not leaving them completely dependent on foreign aid when faced with unforeseen shocks or circumstances.

Conclusion: Circling back to the main question of whether or not the International Monetary Fund is helping nations recover or regress, we can conclude that the answer to this is multifaceted as, while some areas show some development, other aspects of the countries are further regressing. This is particularly displayed through the common trend of growing macroeconomy but regressing situations of the poor in the studied countries (Rwanda, Ghana, and Zambia). The impact the IMF has had and the role played by it is quite nuanced, with supporting trade and development, but at the expense of austerity, strict fiscal policy, and enabling neo-colonialism of these developing countries. And while this has had a negative impact socially, politically, and economically longterm, it has also managed to aid recovery through some of the worst economic crises faced. Moving forward, recovery/development aid provided by the IMF would prove to be more beneficial if there is also a focus on protection of public spending on healthcare, and education, involving local economists, and having a proactive approach to providing aid in Africa. Additionally, African countries are urged to take a stronger stance on loan negotiations and safeguarding national self-interest. The creation of contingency funds would also further aid these governments in times of crisis, making them less dependent on loans.

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<https://www.imf.org/en/About/Factsheets/IMF-Lending>.
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