

# ECONOMIC SELF-DETERMINATION, THE IMF, AND PAKISTAN

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## 1. INTRODUCTION

Pakistan first went to the International Monetary Fund (IMF), cap in hand, in 1958 and since then has done so another twenty-one times. The latest negotiations have come while Pakistan is recovering from devastating floods which submerged a third of the country underwater. The bigger catastrophe, however, seemed to be being declared in default by the IMF. Without an IMF deal, Pakistan may have entered a recession, weakened its long-term growth, and seen foreign investors flee, all of which makes it much harder for the country to borrow funds in the future or, like Sri Lanka, its government could have been overthrown in the process.<sup>1</sup> The IMF likes to portray itself as a caped hero saving countries at the precipice so long as they promise to take the bitter but necessary pills it prescribes. However, it is far from this. It places unbearable burdens on countries in the Global South, deepening inequality, and prevents them from taking care of their own people, all to be trapped in a cycle of debt which benefits countries in the Global North.

As it is quite correctly faced with charges of a new form of financial colonialism, the question this article seeks to answer is the implications its policies have on the legal principle of self-determination. While decolonisation changed the world as we know it as countries in the Global South threw out their colonial masters and achieved political independence, economic independence remains far from achieved. This essay argues that the IMF has infringed this legal right to economic independence illustrated by the context of Pakistan. It concludes by advocating for a new international economic order which respects the right to economic self-determination, allowing countries in the Global South to spend their resources on their own people rather than on debt servicing.

## 2. THE RIGHT TO SELF-DETERMINATION - POLITICAL AND ECONOMIC

The right to self-determination is both political and economic. Over the years, however, the notion of self-determination being economic has largely been overshadowed by colonial countries enforcing and fighting for their rights to political independence.<sup>2</sup> After the Second World War, the right to self-determination gained credence as a legal and not just political right and one which had secessionary effect. While political independence was fought for and realised, the principle that a state should not exercise control over the wealth of another arose as a corollary to notions of self-governance.<sup>3</sup> While it was added on as an appendage to political self-determination with most legal texts stating that it is both (political and economic), the push for economic self-determination has not gained traction since decolonisation. It is time that economic self-determination is no longer seen as a 'poor second cousin' to political self-determination but is brought to the fore as a distinct right and an important tool with which to argue that the developing world's resources are under the control of those states and to be used for their own ends.<sup>4</sup> This is particularly because political independence is severely compromised without economic self-determination.<sup>5</sup> Economic self-determination provides a people with self-rule over their resources, to use them for their own ends and their own individual economic and social rights.<sup>6</sup> This cannot be realised when there are no resources available for health or education because they are being siphoned off for the servicing of debt owed to richer developed countries.<sup>7</sup>

<sup>1</sup> Jamie Martin, Is the IMF fit for purpose? THE GUARDIAN, (Nov. 1, 2022) <https://www.theguardian.com/business/2022/nov/01/is-the-imf-fit-for-purpose>.

<sup>2</sup> Alice Farmer, Towards a Meaningful Rebirth of Economic Self-Determination: Human Rights Realization in Resource-Rich Countries, 39 N.Y.U. J. INT'L L. & POL. 417, 419 (2006).

<sup>3</sup> Ibid, 424.

<sup>4</sup> Ibid, 423.

<sup>5</sup> Bereket Habte Selassie, Self-Determination in Principle and Practice: The Ethiopian-Eritrean Experience, 29 COLUM. HUM. RTS. L. REV. 91 (1997).

<sup>6</sup> Alice Farmer, Towards a Meaningful Rebirth of Economic Self-Determination: Human Rights Realization in Resource-Rich Countries, 39 N.Y.U. J. INT'L L. & POL. 417, 470 (2006).

<sup>7</sup> Ibid.

## 2.1. SELF-DETERMINATION AS A LEGAL RIGHT

The right to self-determination is found in the United Nations Charter which provides that one of the purposes of the UN is the development of friendly relations among states based on the principle of equal rights and self-determination of peoples.<sup>8</sup> The right to self-determination is also enshrined in both Article I of the International Covenant on Civil and Political Rights<sup>9</sup> and the International Covenant on Economic, Social and Cultural Rights<sup>10</sup> which state that all peoples have the right of self-determination by virtue of which they freely determine their political status and freely pursue their economic, social and cultural development. This provision applies to 'peoples', however, it is accepted that it applies at a minimum to those arranged as states.<sup>11</sup> While Article I(2) limits this in that it says that a peoples may freely dispose of their natural wealth through international economic cooperation, it still states that "[i]n no case may a people be deprived of its own means of subsistence". This was included so that states did not exploit the resources of another but at the same time allowed for foreign investment.<sup>12</sup>

In the Lighthouses case before the PCIJ, Lord Hudson in his separate opinion argues that a state reserves the right to organise its own economic future otherwise what remains is merely "a ghost of a hollow sovereignty" or "a sovereignty shorn of the last vestige of power"<sup>13</sup>. A General Assembly resolution acknowledges the sovereignty of peoples over their own natural resources and recommends international cooperation in the exercise of that right.<sup>14</sup> It recommends that States refrain from "acts direct and indirect, designed to impede the exercise of the sovereignty of State over its natural resources". The High Courts of Italy and Japan relied on this resolution to uphold Iran's nationalisation laws.<sup>15</sup> For Socialist states and the Third World, economic self-determination was deemed far more important than individualistic human rights.<sup>16</sup> This was why it was included as a legal right in these core human rights instruments. However, the push towards neoliberalism which took place in the 1970s and 1980s challenged the exercise of this right as trade was liberalised and foreign investment encouraged, to the detriment of poorer, developing countries.

<sup>8</sup>United Nations, Charter of the United Nations, 24 October 1945, 1 UNTS XVI, Article 1(2) and Article 55.

<sup>9</sup>UN General Assembly, International Covenant on Civil and Political Rights, 16 December 1966, United Nations, Treaty Series, vol. 999, p. 171.

<sup>10</sup>UN General Assembly, International Covenant on Economic, Social and Cultural Rights, 16 December 1966, United Nations, Treaty Series, vol. 993, p. 3.

<sup>11</sup>Alice Farmer, Towards a Meaningful Rebirth of Economic Self-Determination: Human Rights Realization in Resource-Rich Countries, 39 N.Y.U. J. INT'L L. & POL. 417, 445 (2006).

<sup>12</sup>Ibid 431.

<sup>13</sup>Lighthouses in Crete and Samos, Ser. A/B 71 (1937) 127. Lord Hudson.

<sup>14</sup>UN General Assembly Resolution 626(VII) of 12 December 1952.

<sup>15</sup>Anglo-Iranian Oil Coy. v. Idemitsu Kosa, K.K. LLR (1953) 309 and Anglo-Iranian Coy. v. SUPOR Coy, LLR (1955).

<sup>16</sup>Umut Ozsu, Ukraine, International Law, and the Political Economy of Self-Determination, 16 GERMAN L.J. 434, 451(2015).

## 2.2. A RIGHT ERGA OMNES

The right of self-determination also accords a duty upon states to respect this right as per the Declaration on the Principles of International Law concerning Friendly Relations and Co-operation among States which was a General Assembly resolution passed by states in accordance with the UN Charter.<sup>17</sup> The International Court of Justice in the Nicaragua<sup>18</sup> case and the Kosovo<sup>19</sup> Advisory Opinion has held that this Declaration reflects customary law. Therefore, this integral principle of customary international law that a people should be free to conduct their internal affairs and external relations as they see fit necessarily entails that a country controls its own economy and economic planning as without this, political freedom or independence may be rendered meaningless.<sup>20</sup> The ICJ in the Western Sahara case held that 'the application of the right to self-determination requires free and genuine expression of the will of the peoples concerned'<sup>21</sup>. Furthermore, the Court has also recognised the erga omnes nature of this right in the East Timor case wherein it was stated that: "the right of peoples to self-determination, as it evolved from the Charter and from United Nations practice, has an erga omnes character, is irreproachable."<sup>22</sup> This was reaffirmed in the Wall Advisory Opinion.<sup>23</sup> Since respect for the right to self-determination is an obligation erga omnes, all States have a legal interest in protecting that right.<sup>24</sup> This would apply even if they are acting through international organisations.

## 3. THE INTERNATIONAL MONETARY FUND

The IMF and the World Bank were sister institutions created following the Second World War at the Bretton Woods Conference in July 1944.<sup>25</sup> They were established to stimulate economic reconstruction in the war-demolished economies of Europe.

<sup>17</sup>General Assembly Resolution 2625 (XXV) of 24 October 1970.

<sup>18</sup>Case Concerning Military and Paramilitary Activities In and Against Nicaragua (Nicaragua v. United States of America); Merits, International Court of Justice (ICJ), 27 June 1986.

<sup>19</sup>Accordance with International Law of the Unilateral Declaration of Independence in Respect of Kosovo (Request for Advisory Opinion), General List No. 141, International Court of Justice (ICJ), 22 July 2010.

<sup>20</sup>Noel G. Villaroman, The Loss of Sovereignty: How International Debt Relief Mechanisms Undermine Economic Self-Determination, 2 J. POL. & L. 3, 8(2009).

<sup>21</sup>Western Sahara, Advisory Opinion, I.C.J. Reports 1975, p. 12.

<sup>22</sup>See East Timor (Portugal v. Australia), Judgment, I.C.J. Reports 1995, p. 102, para. 29.

<sup>23</sup>Advisory Opinion Concerning Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory, International Court of Justice (ICJ), 9 July 2004, para 155.

<sup>24</sup>See East Timor (Portugal v. Australia), Judgment, I.C.J. Reports 1995, p. 102, para. 29; see also Barcelona Traction, Light and Power Company, Limited (New Application: 1962) (Belgium v. Spain), Second Phase, Judgment, I.C.J. Reports 1970, p. 32, para. 33).

<sup>25</sup>IMF and the World Bank, IMF <https://www.imf.org/en/About/Factsheets/Sheets/2022/IMF-World-Bank-New>.

The World Bank was to provide loans for long-term development and reconstruction whereas the IMF was established to aid countries suffering from short-term balance-of-payment problems. According to the IMF's Articles of Agreement, the organisation's purposes are to increase international trade, promote stability in exchange rates, increase levels of employment and real income for states.<sup>26</sup> In providing financing to countries, the IMF imposes 'conditionalities' under which funds are disbursed to the country in a piecemeal fashion so long as the state can show that certain economic and financial policies, which the country has committed to with the IMF beforehand, are being implemented.<sup>27</sup> These reforms often include slash-and-burn austerity, reductions in foreign borrowing, liberalising a country's trade and investment laws, encouraging privatisation of state-owned entities, lowering tariffs and strengthening tax laws.<sup>28</sup> The IMF then monitors these debtor countries to ensure they remain on track with their plan. The IMF was based on the vision of the British economist John Maynard Keynes who wanted to ensure that the institution stayed out of states' fiscal and monetary policies.<sup>29</sup> However, his plans to avoid an interventionist organisation failed.<sup>30</sup>

The IMF has imposed austerity measures on developing countries to ensure the repayment of outstanding debts consequently earning itself profits and greater power.<sup>31</sup> The Third World has required repeated and escalating bailouts from the organisation and are trapped in a debt cycle they seem to never be able to escape from. The IMF and the World Bank has in the past admitted that it was their mismanagement which has contributed to crises around the world yet no change in policy has been made.<sup>32</sup> The Asian financial crisis of the 1990s is a case in point. During the crisis, the IMF imposed significant conditionalities; 94 structural conditions were placed on South Korea, 73 on Thailand, and 140 on Indonesia.<sup>33</sup>

Thailand, under IMF pressure, deregulated and encouraged foreign investment, allowing US dollars to flood its economy. Instability in the country owing to these financial policies then led to foreign private investor flight from the Thai market causing it to fall into a negative 3.5 percent.<sup>34</sup> IMF-related freefalls, as they are known, have also occurred in Mozambique, Costa Rica, the Philippines, and Indonesia.<sup>35</sup> In Indonesia, as its currency plunged, austerity measures imposed by the IMF led to civil unrest resulting in mob attacks on certain ethnicities and security forces firing on student protestors.<sup>36</sup> President Suharto was eventually ousted from office after he attempted to raise fuel prices to fulfil IMF demands.<sup>37</sup> While Suharto was blamed for his own demise Martin reports that it was the IMF's policies of curbing patronage within the political system that led to his ejection.<sup>38</sup>

Many argue that the IMF's prescriptions make its patients sicker, creating inequality and social injustice along the way. There has even been evidence that it increases ethnic and other identity-based tensions due to its conditionalities.<sup>39</sup> The World Bank has admitted it used badly chosen and poorly designed public sector investments contributing to the economic crisis in Africa.<sup>40</sup> The IMF's conditionalities have also been shown to have impacted developing countries' ability to fulfil the social, economic and political rights of their citizens.<sup>41</sup> In 2013, the IMF's chief economist, Olivier Blanchard, seemed to admit in a paper he copublished that the IMF had misjudged the negative effects of austerity measures on growth in Europe, heralded as a mea culpa on behalf of the organisation.<sup>42</sup> According to a study by the Global Development Policy Center at Boston University from 2020, the IMF has in fact acknowledged that austerity does constrain growth but still demands it from those countries which take its aid.<sup>43</sup> While it has been argued by some at the IMF that the organisation has abandoned its formerly rigid neoliberal policies, it has continued to demand austerity measures from states even during the COVID-19 pandemic.<sup>44</sup>

<sup>26</sup>IMF, Articles of Agreement, adopted at the United Nations Monetary and Financial Conference (Bretton Woods, New Hampshire) on July 22, 1944.

<sup>27</sup>IMF Conditionality, IMF (Feb. 22, 2021) <https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/21/28/IMF-Conditionality>.

<sup>28</sup>John W. Head, Seven Deadly Sins: An Assessment of Criticisms Directed at the International Monetary Fund, 52 U. KAN. L. REV. 521, 527 (2004).

<sup>29</sup>Jamie Martin, Cooperation without Domination, BOSTON REVIEW (Jul. 20, 2022) <https://www.bostonreview.net/articles/cooperation-without-domination/>.

<sup>30</sup>Ibid.

<sup>31</sup>David Katona, Challenging the Global Structure through Self-Determination: An African Perspective, 14 AM. U. INTL L. REV. 1439, 1458 (1999).

<sup>32</sup>J. Oloka-Onyango, Heretical Reflections on the Right to Self-Determination: Prospects and Problems for a Democratic Global Future in the New Millennium, 15 AM. U. INTL L. REV. 151, 196 (1999).

<sup>33</sup>Noel G. Villaroman, The Loss of Sovereignty: How International Debt Relief Mechanisms Undermine Economic Self-Determination, 2 J. POL. & L. 3, 7 (2009).

<sup>34</sup>David Katona, Challenging the Global Structure through Self-Determination: An African Perspective, 14 AM. U. INTL L. REV. 1439, 1460 (1999).

<sup>35</sup>Ibid.

<sup>36</sup>Jamie Martin, Is the IMF fit for purpose? THE GUARDIAN, (Nov. 1, 2022) <https://www.theguardian.com/business/2022/nov/01/is-the-imf-fit-for-purpose>.

<sup>37</sup>Ibid.

<sup>38</sup>Ibid.

<sup>39</sup>Ibid.

<sup>40</sup>Sub-Saharan Africa: From Crisis To Sustainable Growth, WORLD BANK, 27 (Nov. 1989).

<sup>41</sup>Celine Tan, Mandating Rights and Limiting Mission Creep: Holding the World Bank and the International Monetary Fund Accountable for Human Rights Violations, 2 HUM. RTS. & INTL LEGAL DISCOURSE 79, 86 (2008).

<sup>42</sup>Olivier Blanchard & Daniel Leigh, Growth Forecast Errors and Fiscal Multipliers (IMF, Working Paper No. 13/1, 2013).

<sup>43</sup>Jamie Martin, Is the IMF fit for purpose? THE GUARDIAN, (Nov. 1, 2022) <https://www.theguardian.com/business/2022/nov/01/is-the-imf-fit-for-purpose>.

<sup>44</sup>Jamie Martin, Cooperation without Domination, BOSTON REVIEW (Jul. 20, 2022) <https://www.bostonreview.net/articles/cooperation-without-domination/>.

## 4. DEBT SERVICING, THE GLOBAL SOUTH, AND ECONOMIC SELF-DETERMINATION

In essence, the way the IMF works entails a loss of sovereignty of lender states and is at odds with the right to economic self-determination.<sup>45</sup> The conditionalities imposed by the Fund mean that governments of developing countries are unable to provide their people with even very basic social services. That is not to say it is all the IMF's fault - indeed many developing countries have their own sins to answer for; namely pervasive corruption, poor governance, elite capture, the list goes on and on. Many corrupt leaders in these developing countries have been known to siphon off these loans into their Swiss bank accounts denying their people any economic development. However, the IMF does enable the 'crowding out' of essential public spending in a way which necessarily entails the loss of sovereignty of lender states by virtue of the magnitude of debt that is to be repaid.<sup>46</sup> The human cost of this is huge and is borne by those living in poorer countries as their states are unable to pay for nutrition, healthcare, education, housing and water.<sup>47</sup> As Villaroman states "They are the children who had to stop studying because their government imposed school fees they could not afford; the families who had to reside in makeshift shelters because their government could not provide affordable housing; infants who had to die because the government has no adequate program to address malnutrition and disease, and the list of human suffering goes on."<sup>48</sup> The amount of debt servicing results in a transfer of wealth from the poor to the rich as their resources are exploited and they are deprived of their own means of subsistence.

Villaroman further argues that creditor states have human rights obligations towards those in debtor states owing to the legal duty to engage in international cooperation and assistance.<sup>49</sup> Article 2(1) of the ICESCR provides that states through international assistance and cooperation achieve progressively the full realisation of the rights in the Covenant. Article 11(2) also provides the "right to be free from hunger," directing states to take steps "individually and through international co-operation" to achieve this right.

Article 22 of the Universal Declaration of Human Rights states that "everyone, as a member of society... is entitled to realisation.... in accordance with the organisation and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality." As Farmer points out, this provision "assumes that the resources of a state will be used for the realisation of basic human rights"<sup>50</sup>. Arguably, the IMF, as a specialised agency of the UN, must act in accordance with the principles and goals of the UN Charter, of which respect for self-determination and the promotion of human rights are key. Furthermore, the right to self-determination is also a right *erga omnes* and therefore must be protected by all in the international community.

The IMF and its conditionalities notably infringe upon that right. In having to fulfil these debts, a state is unable to fulfil its right to economic self-determination in that it possesses no capacity or control over its own resources. Moreover, the servicing of debts necessitates a crowding out of services related to education, health, food and housing, which negatively affect the human rights of those in debtor nations. The IMF is currently the only international financial institution able to handle the financial crises faced by increasingly desperate states: Sri Lanka, Pakistan, and Ghana, are in extreme debt distress, and require IMF bailouts.<sup>51</sup> As a result, some argue that the IMF could constitute a form of economic coercion which violates the principle of non-intervention, especially since countries who are forced to take IMF loans are poorer and weaker and often have policies imposed upon them.<sup>52</sup> While countries do opt for IMF loans and are not forced to take them, it could be contended that the 'coercion' aspect is far more insidious than overt, as countries in debt are forced to take conditionalities as that is the only way to obtain an economic lifeline.<sup>53</sup> In this way, debtor nations are unable to exercise their right to economic self-determination.

<sup>45</sup>Noel G. Villaroman, *The Loss of Sovereignty: How International Debt Relief Mechanisms Undermine Economic Self-Determination*, 2 J. POL. & L. 3, 3 (2009).

<sup>46</sup>*Ibid.*

<sup>47</sup>Lennox S. Hinds, *The Impact of International Debt to the World Bank and International Monetary Fund on Human Rights under International Law*, 57 GUILD PRAC. 201, 201 (2000).

<sup>48</sup>Noel G. Villaroman, *The Loss of Sovereignty: How International Debt Relief Mechanisms Undermine Economic Self-Determination*, 2 J. POL. & L. 3, 3 (2009).

<sup>49</sup>Noel Villaroman, *Debt Servicing and its Adverse Impact on Economic, Social and Cultural Rights in Developing Countries*, JOURNAL OF HUMAN RIGHTS, 487 (2010).

<sup>50</sup>Alice Farmer, *Towards a Meaningful Rebirth of Economic Self-Determination: Human Rights Realization in Resource-Rich Countries*, 39 N.Y.U. J. INT'L L. & POL. 417 (2006). Page 424

<sup>51</sup>Jamie Martin, *Cooperation without Domination*, BOSTON REVIEW (Jul. 20, 2022) <https://www.bostonreview.net/articles/cooperation-without-domination/>.

<sup>52</sup>Noel G. Villaroman, *The Loss of Sovereignty: How International Debt Relief Mechanisms Undermine Economic Self-Determination*, 2 J. POL. & L. 3, 10 (2009). Page 10

<sup>53</sup>*Ibid.* 9.

## 5. PAKISTAN AND THE IMF

Pakistan first took help from the IMF in 1958 and has since gone back to the organisation a shocking 22 times for loans.<sup>54</sup> Nadeem Haque calls Pakistan an IMF addict.<sup>55</sup> He reported in 2018 that Pakistan had spent 22 of the past 30 years in a dozen different IMF bailout programs.<sup>56</sup> In exchange for these bailouts, he says “Pakistani governments have repeatedly agreed to draconian spending cuts and arbitrary taxes in pursuit of fiscal targets. As a result, the country’s economy is as weak as ever, and its state capacity has been hollowed out”<sup>57</sup>. The IMF’s programmes have undercut Pakistan’s potential for growth and created conditions for rent-seeking leading to a neverending cycle of bailouts and debt crises.<sup>58</sup> This is particularly an issue since every time Pakistan misses its fiscal targets, new taxes are announced, affecting businesses who are unable to plan their budgets not knowing which taxes may be imposed and when.<sup>59</sup> Haque further argues that the IMF has cut funding for public services to the bone, eroding state capacity and negatively impacting growth.<sup>60</sup>

Pakistan’s economy, like Sri Lanka’s, is facing severe debt distress because of the double onslaught of COVID-19 and the Russian invasion of Ukraine which is increasing inflationary pressure worldwide.<sup>61</sup> The increase in US interest rates has also meant that foreign investment is pulling out of riskier markets as safer investments produce higher revenues.<sup>62</sup> In November 2022, Pakistan’s Dawn newspaper reported that the country was currently spending 52 out of every 100 rupees on debt servicing every year.<sup>63</sup> As a result, Pakistan is unable to fund services desperately needed by its population and inflation renders a large part of the population unable to access those services which are available. It also facilitates flight out of the country of those who are educated and skilled enough to look for employment elsewhere, further exacerbating its cycles of poverty, unrest, and discontent.<sup>64</sup> It is unable to exercise its right to self-determination under the burden of IMF repayments.

<sup>54</sup>Pakistan: History of Lending Commitments as of February 29, 2020, INTERNATIONAL MONETARY FUND, <https://www.imf.org/external/np/fin/tad/extarr2.aspx?member-Key1=760&date1key=2020-02-29>.

<sup>55</sup>Nadeem UI Haque, Pakistan’s IMF Problem, PROJECT SYNDICATE, (Jul. 31, 2018).

<sup>56</sup>Ibid.

<sup>57</sup>Ibid.

<sup>58</sup>Ibid.

<sup>59</sup>Ibid.

<sup>60</sup>Ibid.

<sup>61</sup>Jamie Martin, Is the IMF fit for purpose? THE GUARDIAN, (Nov. 1, 2022) <https://www.theguardian.com/business/2022/nov/01/is-the-imf-fit-for-purpose>.

<sup>62</sup>Ibid.

<sup>63</sup>Mohiuddin Aazim, Debt is costlier than we think, DAWN (Nov. 14, 2022) <https://www.dawn.com/news/1720860/debt-is-costlier-than-we-think>.

<sup>64</sup>Waqas Ahmed, Country’s brain drain situation accelerated in 2022, THE EXPRESS TRIBUNE (Dec. 12, 2022) <https://tribune.com.pk/story/2390704/countrys-brain-drain-situation-accelerated-in-2022>.

## 6. CONCLUSION

In order to ensure the right to economic-self determination, the world desperately needs a new international economic order. Sadly, the Global South has tried (and failed) in this endeavour before. In 1974, a UN General Assembly resolution was passed spearheaded by developing countries for a New International Economic Order (NEIO) under which resources would be redirected from rich to poor states and the power of institutions like the World Bank and IMF would be curtailed.<sup>65</sup> This effort was sabotaged by a concerted effort by the West.<sup>66</sup> US Secretary of State Henry Kissinger, as is shown through declassified documents, “directed a considerable amount of energy toward breaking the NIEO” pressuring countries by leveraging aid packages for them so they would be lured away from the NEIO coalition<sup>67</sup>. At the same time, countries in the Global South were accused of human rights violations at the UN by the US’ Representative. The NEIO, as a result, was never able to get off the ground.<sup>68</sup> However, I argue, it is time to try again. IMF repayments have meant that “developing countries are at their most vulnerable since independence”.<sup>69</sup> Debt servicing has permeated every form of economic life and freedom of debtor states which are not able to cater to their people’s needs.

The IMF has caused great harm around the world and its medicine is making poor countries far sicker. In calling for a new international economic order, Mohammed Bedjaoui notes that “[t]raditional international law has helped to make independence a completely superficial phenomenon, beneath the surface of which the old forms of domination survive and the economic empires of the multinational corporations, and the powers that protect them, prosper.”<sup>70</sup> What we need is a global financial safety net which does not tie debtor states in cycles of debt to great powers, not a world in which only the finance community enjoys the right to freely pursue their economic development.<sup>71</sup> Boldness is needed to make an egalitarian order imaginable, and it can only come from the Global South.

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<sup>65</sup>General Assembly Resolution 3201(S-VI) of 1 May 1974

<sup>66</sup>Daniel Immerwahr, Decolonization and the Pursuit of an Egalitarian International Order, THE NATION (Dec. 23, 2019) <https://www.thenation.com/article/archive/adom-ge-tachew-worldmaking-after-empire-book-review/>.

<sup>67</sup>Ibid.

<sup>68</sup>Ibid.

<sup>69</sup>J. Oloka-Onyango, Heretical Reflections on the Right to Self-Determination: Prospects and Problems for a Democratic Global Future in the New Millenium, 15 AM. U. INT’L L. REV. 151, 196 (1999).

<sup>70</sup>Mohammed Bedjaoui, Towards A New International Economic Order 81 (1979).

<sup>71</sup>J. Oloka-Onyango, Heretical Reflections on the Right to Self-Determination: Prospects and Problems for a Democratic Global Future in the New Millenium, 15 AM. U. INT’L L. REV. 151, 198 (1999).