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Framing Economic Recovery and Reform in Three IMF Statements on Pakistan

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Abstract:
This article examines how International Monetary Fund (IMF) staff presented Pakistan's economic recovery and justified continued reform in three releases issued between March and July 2024. It applies the Discourse-Historical Approach to selected passages from the staff-level agreement on the final review of the Stand-By Arrangement, the May end-of-mission statement and the July announcement of a staff-level agreement on a proposed Extended Fund Facility. The analysis examines how the passages identify actors, evaluate economic conditions and provide reasons for policy action. In March, IMF staff acknowledge improvement while presenting persistent vulnerabilities as a reason for continued reform. In May, staff treat earlier stabilisation as a basis for negotiations and credit both the IMF and Pakistani authorities with progress. In July, the release explains the proposed facility through its support for the authorities' efforts to consolidate stability and create conditions for growth. The comparison shows how reported improvement can serve different argumentative purposes within a single programme transition. It can qualify a diagnosis of economic risk, support continuity between arrangements or provide a starting point for explaining the objectives of a proposed programme.

Keywords: Discourse-Historical Approach, economic recovery, economic reform, International Monetary Fund, Pakistan, policy legitimation

1. INTRODUCTION

On 20 March 2024, the International Monetary Fund (IMF) reported that Pakistan's economic and financial position had improved since the first review of its Stand-By Arrangement (SBA). Staff attributed the improvement to policy management and renewed financing from bilateral and multilateral partners. In the same statement, they forecast modest growth, reported inflation above target and called for continuing reform. The apparent tension is the starting point of this study. How does an institution report economic progress and explain, in the same public account, why further policy action is necessary? (International Monetary Fund [IMF], 2024a).

Two later releases connect economic progress to different policy steps. After a mission to Islamabad in May, IMF staff described stabilisation under the earlier arrangement as a basis for advancing discussions. The release named the IMF and Pakistani authorities together as the parties making progress towards a staff-level agreement. In July, the IMF announced that staff and the authorities had reached an agreement on a proposed 37-month Extended Fund Facility (EFF). The proposed facility was presented as supporting the authorities' pursuit of stability and growth. The July announcement still depended on Executive Board approval and confirmation of financing assurances (IMF, 2024b, 2024c).

1.1 BACKGROUND AND RESEARCH PROBLEM

The three releases communicate different developments in a short period. The first reports on a review under an existing arrangement, the second describes negotiations after a staff visit, and the third explains the aims of a proposed successor programme. Each gives the reader an account of economic conditions and identifies a policy step that follows from those conditions. For discourse analysis, the connection between those two elements is particularly important. A

description of the economy can also establish the grounds on which an institution asks readers to understand the need for further action.

Research on IMF conditionality provides a wider context for this question. Kentikelenis et al. (2016) examined the content of IMF loan conditions across 131 countries between 1985 and 2014. Their study considered the room borrowing governments retain to set development policy and found limited evidence of a fundamental change in the use of conditionality. The present article asks a question about public explanation. Its concern is how selected releases represent the case for continued reform, including whose actions they recognise and which policy objectives they make prominent.

1.2 Research aim and Question

This study asks how the IMF statements of 20 March, 23 May and 12 July 2024 frame Pakistan's economic recovery and justifies continued reform. Three aspects of that question guide the analysis. The first concerns the actors named and the roles assigned to them. The second concerns evaluations of improvement, vulnerability and negotiating progress. The third concerns the reasoning that connects those evaluations to continued reform or to a successor facility.

The contribution is a close comparison of passages from one programme transition. Keeping the country and period fixed allows the analysis to track changes in the public explanation across three specific moments. The comparison is particularly useful where a broad claim about recovery conceals differences in what the releases are doing. Reporting that conditions have improved, recognising progress towards a possible agreement and stating the aims of an agreed proposal are distinct institutional acts. Their language can be examined in relation to those different functions.

2. LITERATURE REVIEW AND ANALYTICAL FRAMEWORK

2.1 IMF discourse and policy justification

Research on IMF conditionality examines the measures associated with lending and the implications those measures may have for government policy. Kentikelenis et al. (2016) use loan conditions as evidence for assessing policy space. Public releases offer a different kind of evidence. They show what the institution chooses to emphasise when describing progress, explaining risks or announcing a programme. In the Pakistani case, this includes which gains staff recognise, which economic conditions they describe as persistent and how they represent the authorities' involvement.

Fairclough (2003) approaches texts as part of social practice. This perspective helps explain why a seemingly straightforward policy statement is worth examining at the level of grammar and vocabulary. A release can explain economic improvement through the work of named institutions or through abstract processes such as policy management and renewed financing. These choices affect how visible particular actors are in the account. They can also influence which matters appear settled and which appear to require intervention. In the present study, that reasoning is traced through specific clauses and their relationship to each other.

Van Leeuwen (2007) distinguishes forms of legitimation in discourse. Rationalisation is relevant here because it identifies how actions can be justified through their purposes, uses or expected effects. An institution may describe a policy as necessary to address unresolved vulnerabilities or as a means of achieving an economic goal. In both instances, the stated purpose offers a reason for the policy. The text can therefore be analysed for the reasoning it offers even where the passage does not establish how well the proposed policy might work.

The terms recovery and stabilisation also warrant attention. In the releases examined here, recovery appears in connection with economic and financial improvement, growth and confidence. Stabilisation becomes a way to describe an achievement under the earlier arrangement and a policy condition that the proposed facility is intended to consolidate. Their significance comes from where they occur. An assessment of recovery at the start of a review can provide the background for a call to continue reform. A reference to stabilisation at the start of a negotiation update can explain why the next arrangement is presented as a continuation of earlier efforts.

2.2 The Discourse-Historical Approach

The Discourse-Historical Approach links textual analysis to the circumstances in which the material was produced (Reisigl & Wodak, 2001). Here, the immediate context is the sequence of IMF communications concerning the transition from an SBA to a proposed EFF. Reading a passage in that context helps establish what the institution could claim at a particular moment. Progress in negotiations, an agreement at staff level and formal approval have different meanings. Relating the wording to these stages reduces the risk of interpreting an assessment, an option and a programme objective as equivalent commitments.

Nomination concerns how social actors are named or referred to. The analysis identifies references to the IMF, Pakistani authorities and financing partners. It also examines the grammatical role attached to each reference. Two institutions named together as the subject of a clause are presented as jointly involved in the action it describes. A group named in connection with financial inflows appears in a more specific role. Attention to these differences keeps the interpretation close to the text and helps distinguish the visibility of an actor from evidence about actual influence.

Predication concerns qualities assigned to actors, actions or conditions. In these releases, some of the most consequential evaluations relate to economic processes and policy management. The word prudent makes a favourable judgement about earlier policy management. A description of vulnerabilities as entrenched gives those problems a longer horizon than the recent gains reported in the same passage. The method therefore pays attention to how evaluations work in combination. A release may attribute value to earlier action and still present the economic position as vulnerable.

Argumentation concerns how a text connects a claim or assessment to a proposed response. The focus here is the movement from a description of the economic position to a case for reform or a successor programme. The analysis can ask what condition is described, what action is envisaged and what reason the passage provides for that action. Sometimes the connection is explicit, as when the March passage links persistent vulnerabilities to the need for continued reform. In other cases, it is carried by the sequence of clauses, as when the May passage opens with earlier stabilisation and reports progress in negotiations.

The analysis also examines how strongly a claim is made. A statement can report a development, forecast an outcome, identify an action as required or describe support as possible. These differences are important when the documents concern a programme still under negotiation. In this article, language expressing necessity, possibility and purpose is examined as part of the argument presented in each passage. These terms describe the role of the wording in this case. They are used to compare the releases at the level of particular claims.

3. METHODOLOGY

3.1 Corpus and selection

This qualitative case study uses three passages from English-language releases published on the IMF website. The 20 March release discusses the staff-level agreement on the second and final review of the SBA. The passage selected for analysis evaluates economic and financial conditions and states why further efforts were considered necessary. The 23 May release reports on an IMF mission to Islamabad. The selected passage connects stabilisation under the previous arrangement to progress towards a successor agreement. The 12 July release announces a staff-level agreement for a proposed 37-month EFF. Its selected material describes the facility's aims and the authorities' efforts that it was intended to support (IMF, 2024a, 2024b, 2024c).

The selection is purposive. Every passage links the economic position to a subsequent policy step, but each belongs to a distinct institutional occasion. The releases supply the context, and the passages supply the primary material for analysis. The March and May passages derive from the thesis and were checked against the official releases. The July discussion uses the programme objectives in the official July announcement. The wording reproduced on page 16 of the thesis could not be confirmed in that release and was excluded as a direct quotation.

3.2 Analytical procedure

The analysis proceeds in three stages. The first identifies the document's function and the point the programme had reached. This establishes whether the text reports a review, describes negotiations or announces a staff-level agreement. In July, for example, the proposed facility remained subject to further approval and financing assurances. The announcement can therefore be read as a public account of the proposed programme's aims at that stage (IMF, 2024c).

The second stage examines the passages for nomination, predication and argumentation. For nomination, the analysis records the named actors and identifies the action, if any, attached to each reference. For predication, it examines evaluations of policy, progress and risk, with attention to intensifying or qualifying language. For argumentation, it traces the connection between a description of the economic position and the response proposed or implied. In March, this means looking at the connection between continuing vulnerabilities and policy action. In May, it means examining how the sentence places earlier stabilisation in relation to the prospect of further IMF support.

The third stage compares the readings in chronological order. A recurring pattern is recognised where more than one passage connects an assessment of progress to a reason for subsequent action. A difference is identified where the grounds for that action change, for example from risks that remain to objectives that a proposed facility would support. This comparison draws on van Leeuwen's (2007) account of rationalisation where the passage explains reform through its purpose or intended effects.

3.3 Scope of inference

The study supports an interpretation of selected public statements. It uses the programme history to explain the immediate context of the wording. Evidence about how staff and Pakistani officials negotiated specific measures, how a wider audience interpreted the releases and whether reforms achieved their stated goals would be needed to address those separate questions. Dates and document functions also vary together. This makes it difficult to isolate the source of differences between the passages.

4. FINDINGS

4.1 Economic recovery and continuing vulnerabilities in March

The March statement evaluates Pakistan's economic and financial position in relation to the first review of the SBA. The comparison establishes a point from which progress can be judged. Staff describe growth and confidence as recovering and connect the improvement to *prudent policy management* and renewed financial inflows. The description of policy management as prudent makes an evaluative claim about earlier action. The mention of bilateral and multilateral partners, meanwhile, attributes part of the recovery to external financing. Pakistan's improving position is thus explained through both policy management and support from outside the country (IMF, 2024a).

The wording presents the sources of improvement at different levels of specificity. The financing partners are identified as groups. Policy management is expressed as an activity, with no individual decision-maker named in that phrase. That construction draws attention to the quality of the process and to the broad sources of support. The passage gives little detail about which decisions or actors made the largest contribution.

The shift introduced by *however* changes the direction of the argument. Staff forecast modest growth and report that inflation is still *well above target*. The first assessment concerns an expected outcome. The second compares a reported condition with a benchmark. The modifier *well* strengthens the assessment of the gap. Staff also refer to enduring vulnerabilities and to domestic and external financing needs. Together, these details reduce the scope of the positive assessment at the beginning of the passage. Improvement since the previous review can coexist with a difficult outlook (IMF, 2024a).

The final step is the move from diagnosis to action. Staff describe further policy and reform efforts as *required*. That term gives their policy position more force than a forecast or recommendation stated as a possibility. The reasons are given in the same passage. Vulnerabilities remain, financing needs are elevated and conditions abroad remain unsettled. The logic is that improvement establishes progress over the review period while the remaining risks establish a case for further measures (IMF, 2024a).

4.2 Stabilisation and joint progress in May

The May statement opens its account of the negotiations by referring to economic stabilisation after completion of the earlier arrangement. The expression *Building on* gives that assessment a forward-looking function. It makes past stabilisation a starting point for the sentence's main claim about negotiating progress. Describing the completion as *successful* further strengthens the link. The earlier arrangement is presented as having achieved something the next round of discussions can build upon (IMF, 2024b).

The main clause names the IMF and Pakistani authorities together. They share the role of making progress towards a staff-level agreement. This is more explicit than the March description of improvements associated with policy management. The May wording gives both institutions a place in the same action and leaves their respective contributions unspecified. The point of attention is the joint progress reported at the end of the mission.

The statement describes that progress as significant and the proposed programme as comprehensive. These evaluations concern different objects. The first is a judgement about the advance made in discussions. The second characterises the scope of the policy and reform programme being discussed. Neither expression settles the status of the agreement. The direction

indicated by *toward* and the possibility expressed by *can* identify a programme and an avenue for IMF support still under discussion (IMF, 2024b).

The May argument relies on continuity. It draws on the earlier arrangement's reported outcome and the work attributed to both parties to explain why a successor programme was being pursued. It presents an opportunity opened by stabilisation and by negotiations. This differs from the March emphasis on vulnerabilities that make continued action necessary. The releases can express different grounds for moving forward even though both refer to progress associated with the SBA.

4.3 Programme objectives and the role of the authorities in July

The July release announces a staff-level agreement on a proposed 37-month EFF. It explains the arrangement through its support for the Pakistani authorities' efforts to consolidate macroeconomic stability and establish conditions for stronger, more inclusive and resilient growth. The description combines a goal tied to earlier gains with a more forward-looking objective. Consolidating stability implies maintaining or reinforcing what staff report has already been achieved. Creating conditions for growth identifies an intended contribution of the proposed programme (IMF, 2024c).

The role assigned to the Pakistani authorities changes with the subject of the announcement. In May, they appear alongside the IMF as parties making progress in negotiations. In July, they are identified with the efforts to pursue stability and growth, and the proposed facility is presented as supporting those efforts. This construction makes domestic action visible while giving the facility a defined role. It provides evidence about how the IMF publicly describes responsibility. A claim about who first proposed a given measure would require a different source.

The release gives the broad objectives practical content. It names priorities that include widening the tax base, improving the management of state-owned enterprises and expanding social protection through the Benazir Income Support Programme (IMF, 2024c). The list situates several areas of reform within a single programme and explains what support would encompass. A close reading can show how the release groups these priorities under shared aims. Establishing whether each measure had the intended effect would require evidence about implementation and economic outcomes.

The conditions attached to the announcement also affect its meaning. The release reports agreement at staff level and explains that approval and confirmation of financing assurances are still needed. Its programme objectives should therefore be read as objectives of a proposal at that time. This qualification gives the statement its institutional context and helps distinguish the programme presented in July from the progress towards agreement described in May.

4.4 Comparison across the three releases

The passages connect recovery to a different type of claim at each stage. March combines a favourable review-period assessment with an argument from persistent risk. May connects the success attributed to the previous arrangement with progress towards possible support under a new one. July describes stability and growth as purposes of a proposed facility and identifies areas of policy that the arrangement would support. The different claims can be traced to the texts' treatment of necessity, possibility and purpose (IMF, 2024a, 2024b, 2024c).

5. DISCUSSION

5.1 The changing role of reported recovery

The comparative finding concerns the work an assessment of progress does inside an argument. In March, the positive assessment creates an immediate question about why reforms should

continue. The statement answers by drawing attention to different time horizons. The judgement of improvement refers to the period since the previous review. The warning about vulnerabilities points to problems that extend beyond that period. By combining these assessments, the statement can recognise what it considers an improvement and still explain why the existing policy concerns require attention (IMF, 2024a).

The May account gives past progress a different role. Here, earlier stabilisation supports the continuation of discussions. The statement takes the preceding arrangement as a starting point and describes a successor programme as a way forward. The wording makes the connection without presenting negotiations as complete. In July, the release has an agreement at staff level to report. Its justification can therefore focus on the purposes of the proposal and the priorities it would include (IMF, 2024b, 2024c).

Van Leeuwen's (2007) concept of rationalisation helps explain the difference between the March and July accounts. In March, the stated purpose of reform is to address vulnerabilities. In July, the reasons given are attached to the objectives of a proposed facility. One account explains the need to act through the persistence of problems. The other offers a set of aims through which the proposal can be understood. The May statement adds an argument from continuity by presenting past stabilisation as a reason to proceed with negotiations. These three grounds help explain how a favourable judgement about the economy can support more than one account of the next policy step.

5.2 Agency and responsibility in public communication

The passages show how agency depends on the action being described. When reporting improvement, the March passage points to policy management and renewed financing. When reporting negotiations in May, the release names the IMF and Pakistani authorities together.

When outlining the proposed facility in July, the statement connects programme support to the authorities' efforts. The analytical categories of nomination and predication make it possible to compare these decisions without treating every reference to domestic policy as evidence of the same role (Reisigl & Wodak, 2001).

This distinction is relevant to discussions of national policy space. Research using loan conditions can identify what requirements appear in an arrangement and how those requirements may shape the choices available to a government (Kentikelenis et al., 2016). An official release gives a public account of cooperation, action or intended support. In the July passage, for example, the authorities are represented as pursuing particular goals, while the facility supports their efforts. The wording is evidence of that representation. It leaves open how responsibility, initiative and discretion were distributed in practice.

5.3 Interpretation and limits

The comparison is strongest when it describes the differences in relation to the releases' functions. The March statement assesses the previous period, the May statement reports the direction of discussions, and the July statement presents what a proposed programme would do. An account of progress towards agreement is likely to draw attention to the parties negotiating and the distance still to travel. An announcement about a proposed arrangement gives readers more reason to expect information about programme objectives and approval. These functions provide context for the differences identified in the study.

The analysis concerns three selected passages. A more extensive examination could compare several statements at the same stage of comparable programmes to investigate which patterns are associated with document function. It could also compare the IMF's public statements with records issued by Pakistan's authorities to explore how different parties present their roles. Those

comparisons would extend the evidence available for claims about institutional language and policy responsibility. The present study establishes the specific ways the selected releases connect recovery with reform.

5.4 What the releases make visible

The comparison also suggests a distinction between the visibility of an actor and the visibility of a policy choice. In May, the release names both negotiating parties, but the passage does not give the reader a detailed account of policy alternatives. In July, the release provides more detail about policy priorities, while the passage gives less attention to the joint act of negotiating. These are two separate dimensions of public explanation. A statement may be specific about the parties involved while leaving the proposed measures broad, or specific about objectives while giving a limited account of how they were chosen (IMF, 2024b, 2024c).

This distinction helps explain why the positive descriptions in the three passages should be read alongside the particular claims they support. The praise given to policy management in March attaches to the IMF staff account of earlier improvement. The positive assessment of negotiations in May describes the state of discussions. The objectives outlined in July describe what the facility would support if the proposal went ahead. Reading the evaluations in context preserves the difference between an assessment of completed action, an account of negotiations and a statement of intent.

6. CONCLUSION

The IMF statements of March, May and July 2024 present economic progress as a reason to keep pursuing reform in Pakistan. The March statement recognises improvement under the SBA and points to unresolved vulnerabilities as grounds for further action. The May statement uses earlier stabilisation to explain progress towards a successor programme. The July release sets out the

proposed EFF's objectives and describes how it would support the authorities' efforts to consolidate stability and create conditions for growth.

The analysis identifies the textual choices that make these arguments possible. Positive and negative evaluations appear together in March. The IMF and Pakistani authorities share the grammatical role of making progress in May. In July, the programme is explained through its support for the authorities and the aims it seeks to advance. The differences show how policy justification depends on who is given a role, which conditions are emphasised and what action the release presents as necessary, possible or intended. The evidence supports that conclusion for the selected passages within this programme transition.

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