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THE IMPACT OF INTERNATIONAL FINANCIAL COOPERATION ON SOCIAL STABILITY: SUCCESSFUL EXPERIENCES

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Abstract. *International financial cooperation has become an increasingly important instrument for strengthening social stability, particularly in economies exposed to financial crises, unemployment, poverty, migration pressures, public-health emergencies, and other external shocks. Cooperation among national governments, international financial institutions, regional development banks, donor agencies, and multilateral funds can contribute not only to macroeconomic stabilization but also to the protection of employment, household incomes, access to essential public services, social inclusion, and human-capital development. This article examines the impact of international financial cooperation on social stability through selected successful experiences, including the European Union's Support to Mitigate Unemployment Risks in an Emergency (SURE) instrument, the Global Concessional Finance Facility and related programs in Jordan, Asian Development Bank support for social resilience in Bangladesh, and international financial cooperation supporting social protection reforms in Uzbekistan. The study applies a comparative and descriptive analytical approach based on secondary data from international financial institutions. The findings indicate that the social impact of international financing is greatest when financial assistance is closely integrated with targeted social protection, employment measures, institutional reforms, digital delivery mechanisms, and transparent monitoring systems. The article concludes that international financial cooperation should increasingly be viewed as a multidimensional mechanism for maintaining social resilience rather than merely as an instrument for correcting macroeconomic imbalances.*

Keywords: *international financial cooperation, social stability, social protection, financial assistance, employment, poverty reduction, international financial institutions, social resilience, inclusive growth, economic stability.*

Аннотация. *Международное финансовое сотрудничество становится все более важным инструментом укрепления социальной стабильности, особенно в экономиках, подверженных финансовым кризисам, безработице, бедности, миграционному давлению, чрезвычайным ситуациям в области здравоохранения и другим внешним потрясениям.*

Сотрудничество между национальными правительствами, международными финансовыми институтами, региональными банками развития, донорскими агентствами и многосторонними фондами может способствовать не только макроэкономической стабилизации, но и защите занятости, доходов домохозяйств, доступа к основным государственным услугам, социальной интеграции и развитию человеческого капитала. В данной статье рассматривается влияние международного финансового сотрудничества на социальную стабильность на примере ряда успешных проектов, включая инструмент Европейского союза по смягчению рисков безработицы в чрезвычайных ситуациях (SURE), Глобальный механизм льготного финансирования и связанные с ним программы в

Иордании, поддержку социальной устойчивости Азиатским банком развития в Бангладеш и международное финансовое сотрудничество в поддержку реформ социальной защиты в Узбекистане. В исследовании применяется сравнительный и описательный аналитический подход, основанный на вторичных данных международных финансовых институтов.

Результаты исследования показывают, что социальное воздействие международного финансирования наиболее велико, когда финансовая помощь тесно интегрирована с целенаправленной социальной защитой, мерами по обеспечению занятости, институциональными реформами, цифровыми механизмами предоставления услуг и прозрачными системами мониторинга. В заключение статьи делается вывод о том, что международное финансовое сотрудничество следует все чаще рассматривать как многомерный механизм поддержания социальной устойчивости, а не просто как инструмент для исправления макроэкономических дисбалансов.

Ключевые слова: *международное финансовое сотрудничество, социальная стабильность, социальная защита, финансовая помощь, занятость, сокращение бедности, международные финансовые институты, социальная устойчивость, инклюзивный рост, экономическая стабильность.*

Introduction

The increasing interconnectedness of national economies has significantly changed the nature of economic and social risks. Financial crises, pandemics, geopolitical tensions, migration, climate-related disasters, inflationary shocks, disruptions in global supply chains, and rising debt burdens can rapidly affect employment, household income, public expenditure, and access to basic social services. Under such conditions, maintaining social stability requires financial resources and institutional capacities that may exceed the possibilities of individual states.

International financial cooperation provides an important mechanism for addressing this challenge. Such cooperation includes concessional loans, grants, emergency financing, budget support, development-policy financing, technical assistance, guarantees, co-financing arrangements, and coordinated investments implemented through institutions such as the World Bank, International Monetary Fund (IMF), Asian Development Bank (ADB), European Union, and other multilateral and bilateral development partners.

The relationship between international finance and social stability is broader than the conventional relationship between external financing and economic growth. Social stability depends on citizens' ability to maintain acceptable living standards, access employment opportunities, receive education and healthcare, benefit from effective social protection, and participate in economic activity. Severe deterioration in these areas can increase poverty, inequality, social exclusion, migration pressures, and distrust in public institutions.

Consequently, international financial cooperation can contribute to social stability through several channels. First, external financing enables governments to maintain essential expenditure during periods of fiscal stress. Second, financing directed toward social protection can protect vulnerable households against sudden income losses.

Third, international resources can support employment and entrepreneurship. Fourth, cooperation with international financial institutions can strengthen public-sector institutions, social registries, payment systems, public financial management, and monitoring mechanisms. Finally, international financing can facilitate long-term investment in education, healthcare, infrastructure, and human capital.

The World Bank reports that social protection programs in low- and middle-income economies have expanded substantially during the last decade, reaching approximately 4.7 billion people. Nevertheless, around 2 billion people remain uncovered or inadequately covered, demonstrating the continuing need for stronger domestic and international financing mechanisms.

The World Bank also estimates that every dollar transferred to poor households can generate approximately $2.50 of economic activity in the local economy.

The objective of this article is therefore to examine how international financial cooperation contributes to social stability and to identify successful experiences that can provide lessons for other countries.

Literature Review

International financial cooperation has increasingly become an important field of academic inquiry because of its influence not only on economic growth and macroeconomic stability but also on poverty, employment, inequality, social protection, institutional development, and social cohesion. The existing literature suggests that the relationship between international finance and social stability is multidimensional. International financial cooperation can strengthen a country's capacity to respond to socioeconomic shocks, but its ultimate effects depend on the structure of financing, domestic institutional quality, policy conditionality, distribution of resources, and the extent to which vulnerable groups benefit from supported programs.

Traditionally, international financial cooperation was primarily analyzed from the perspective of macroeconomic stabilization and development financing. International financial institutions such as the International Monetary Fund (IMF), World Bank, Asian Development Bank (ADB), and regional development institutions were expected to reduce balance-of-payments pressures, finance infrastructure, restore fiscal sustainability, and support structural reforms.

However, contemporary research increasingly recognizes that macroeconomic stability and social stability are closely interconnected. Persistent unemployment, falling household income, widening inequality, limited access to healthcare and education, and insufficient social protection can weaken the sustainability of economic reforms even when traditional macroeconomic indicators improve.

Woldegiorgis (2022), examining the relationship between inequality, social protection, and inclusion, emphasizes that redistribution and social protection policies play an important role in determining whether economic development becomes socially inclusive. The study highlights the complex relationship between income inequality and economic prosperity and indicates that social policies should not be viewed merely as compensatory instruments. Instead, they constitute an integral element of sustainable economic development. This argument is particularly relevant to international financial cooperation because external financing may contribute to social stability only when financial resources are translated into broader employment opportunities, social services, and income security. One of the most significant changes identified in recent academic literature is the growing "social turn" of international financial institutions. Engström (2023) analyzes the evolving policies of the World Bank and IMF following the global financial crisis and the COVID-19 pandemic.

According to the study, successive crises demonstrated the weaknesses of social protection systems and encouraged international financial institutions to pay greater attention to vulnerable groups. Consequently, social protection became increasingly prominent in the policy frameworks of both institutions. Engström argues that international financial institutions have gradually moved beyond a narrow focus on macroeconomic adjustment toward incorporating social protection and vulnerability considerations into their crisis-response strategies.

This transformation is important because financial crises can directly affect social stability through labor markets, credit conditions, and income distribution. Recent empirical research on banking crises indicates that severe financial instability can increase inequality, particularly when crises are preceded by excessive credit expansion. Reduced credit availability and rising unemployment have been identified as major channels through which financial crises can worsen income distribution. Therefore, international financial cooperation designed to restore financial stability may indirectly contribute to social stability when it prevents a prolonged collapse in employment, lending, investment, and household income.

The IMF has also increasingly recognized the macroeconomic importance of social safety nets. An IMF technical analysis published in 2022 emphasizes that social safety nets can protect households against poverty, support inclusive growth, and contribute directly to social stability.

The study also highlights that effective social protection may increase public support for macroeconomic and structural reforms. This is particularly important during periods of fiscal consolidation or structural transformation, when vulnerable households may otherwise experience disproportionate adjustment costs.

From this perspective, international financial cooperation performs a dual function. On the one hand, it provides governments with resources for macroeconomic stabilization. On the other hand, it can create fiscal space for maintaining socially important expenditure during periods of declining government revenues. If external financing enables a government to preserve education, healthcare, unemployment benefits, pensions, targeted transfers, and active labor-market programs, it may reduce the social consequences of economic adjustment.

Nevertheless, the literature does not unanimously conclude that international financial assistance always improves social outcomes. A substantial body of research critically evaluates the social consequences of lending conditionality and fiscal consolidation associated with international financial institutions. Kentikelenis and Stubbs (2024), for example, examine 21 IMF lending programs agreed during 2020–2022 and evaluate whether recent commitments to protecting social spending were reflected in actual program implementation.

Their research finds that 15 of the 21 countries experienced a reduction in fiscal space over the course of IMF-supported programs, raising questions about the capacity of social-spending safeguards to compensate fully for broader fiscal consolidation.

International financial cooperation can therefore strengthen social cohesion when it improves the effectiveness and inclusiveness of state institutions. Development finance directed toward public-sector capacity, social-service delivery, local infrastructure, education, health systems, and digital governance may increase citizens' trust in government institutions. In contrast, poorly governed external resources or programs perceived as benefiting only particular economic or political groups can have limited stabilizing effects.

The literature on fragile and conflict-affected contexts further strengthens this argument.

According to the OECD's *States of Fragility 2025*, international partners can support resilience through finance, capacity development, analysis, partnerships, and conflict-prevention mechanisms. The OECD reports that official development assistance and other concessional development finance reached approximately USD 258.4 billion in 2023, of which around USD 92 billion was directed toward contexts experiencing high or extreme fragility. These figures demonstrate the scale at which international financial cooperation is increasingly used as part of broader efforts to address vulnerability and instability.

However, OECD research also stresses the importance of national ownership. Sustainable stability cannot be created exclusively through external financing. International partners can support domestic institutions, but resilient development ultimately requires legitimate institutions, social cohesion, diversified economies, sustainable livelihoods, and effective domestic governance. The OECD particularly emphasizes that inclusive and effective state institutions are important because citizens' trust in government is a fundamental component of resilience.

This finding has important implications for international financial cooperation in developing economies. Financing programs aimed solely at short-term cash transfers may reduce immediate poverty but may be insufficient to generate sustainable social stability. More comprehensive programs combining social assistance with vocational training, employment services, financial inclusion, entrepreneurship support, and private-sector development can potentially create stronger long-term effects.

The COVID-19 pandemic significantly expanded the academic debate on this issue. The crisis showed that countries with stronger fiscal capacity and well-developed social-protection institutions were generally better positioned to respond rapidly to employment and income shocks.

International institutions responded through emergency loans, concessional financing, grants, debt-service relief measures, healthcare financing, and technical assistance. These experiences reinforced the argument that international financial cooperation can function as a global risk-sharing mechanism when national fiscal capacity is insufficient.

At the same time, the literature identifies several limitations. International financing may increase external debt burdens if borrowed resources are not used productively. Fiscal conditionality can create social pressures if adjustment is implemented too rapidly. Weak governance and corruption can reduce the social effectiveness of financial assistance.

Poorly targeted programs may exclude significant groups of vulnerable people, while excessive dependence on international financing may undermine domestic resource mobilization and institutional ownership.

Research Methodology: This study employs a qualitative and comparative research methodology to examine the impact of international financial cooperation on social stability through successful international experiences. The methodological approach is based on the assumption that social stability is a multidimensional phenomenon that cannot be evaluated only through a single quantitative indicator. Therefore, the research combines descriptive analysis, comparative case-study analysis, institutional assessment, and interpretation of secondary statistical data in order to identify how international financial cooperation contributes to employment protection, poverty reduction, social inclusion, access to public services, and institutional resilience.

The research is primarily based on secondary data obtained from reliable international and national sources. These include reports, policy documents, project evaluations, statistical databases, and analytical publications issued by the World Bank, International Monetary Fund, Asian Development Bank, European Commission, OECD, and other international development institutions. Academic articles published in peer-reviewed journals were also reviewed in order to strengthen the theoretical and empirical foundation of the study. The use of official institutional data was particularly important because international financial cooperation programs are often evaluated through measurable indicators such as the amount of financing provided, number of beneficiaries, employment outcomes, social expenditure, poverty indicators, financial inclusion, and institutional performance.

A comparative case-study method was applied to identify successful experiences of international financial cooperation. Several cases were selected because they represent different forms of international financial support and different dimensions of social stability. The European Union's SURE program was examined as an example of financial cooperation aimed at preserving employment and household income during a major economic crisis. Jordan was selected as a case of concessional international financing directed toward refugee integration, employment creation, and support for host communities. Bangladesh was analyzed because of its cooperation with the Asian Development Bank in strengthening social protection and institutional resilience.

Uzbekistan was included as an emerging example of international financial cooperation aimed at improving social services, reducing vulnerability, and promoting inclusive development.

The comparative analysis focuses on several key indicators. First, the study considers the scale and type of international financing, including concessional loans, grants, policy-based lending, and emergency financial support. Second, it examines the main target groups of supported programs, such as unemployed workers, vulnerable households, refugees, low-income groups, and socially disadvantaged populations. Third, attention is given to the mechanisms through which international financing affects social stability, including employment support, cash transfers, access to healthcare and education, financial inclusion, and institutional reform.

Finally, measurable outcomes are assessed in order to determine whether international financial cooperation contributed to greater socioeconomic resilience.

Descriptive statistical analysis is also used to support the qualitative assessment. Statistical indicators are compared across selected programs and countries in order to illustrate the scale of financing and its social effects. However, the study does not attempt to establish strict econometric causality between international financial cooperation and social stability. Social stability is influenced by a wide range of political, demographic, economic, cultural, and institutional factors, and isolating the effect of international financing would require a more complex econometric design. Therefore, the present research focuses on identifying patterns, mechanisms, and practical outcomes associated with successful cooperation experiences.

The research follows the principles of reliability and comparability by relying predominantly on official and internationally recognized sources. Whenever possible, quantitative information from international financial institutions is cross-checked with program reports and independent academic studies. At the same time, the study recognizes several methodological limitations. Differences in national statistical systems, institutional structures, definitions of social stability, and reporting standards may limit direct comparison across countries. Furthermore, successful programs may produce social outcomes with a time lag, which makes short-term evaluation incomplete.

Analysis and Results

The analysis of international experience demonstrates that international financial cooperation can have a significant positive impact on social stability when financial resources are directed toward employment preservation, social protection, financial inclusion, institutional reform, and the socioeconomic integration of vulnerable groups. The evidence also indicates that the effectiveness of international cooperation depends not only on the amount of financing provided but also on the mechanisms through which financial resources are transformed into measurable social outcomes. Successful cases from the European Union, Jordan, Bangladesh, and Uzbekistan show different models of how international financial cooperation can strengthen the resilience of households, labor markets, and public institutions.

At the global level, the expansion of social protection demonstrates the growing importance of coordinated international financing. According to the World Bank, social protection coverage in low- and middle-income countries expanded to approximately 4.7 billion people over the past decade. Coverage increased from around 41% of the population in 2010 to 51% in 2022.

During the COVID-19 pandemic alone, emergency social protection programs reached approximately 1.7 billion people in developing economies. Nevertheless, around 2 billion people in low- and middle-income countries remain uncovered or inadequately covered, while three out of four people in low-income economies still receive no social protection.

These figures reveal two important results. First, the last decade has witnessed unprecedented progress in extending social protection. Second, large financing and institutional gaps remain, particularly in poorer economies.

This creates a strong rationale for international financial cooperation because countries with limited domestic fiscal resources frequently lack the capacity to finance comprehensive social protection systems independently.

The scale of international involvement is also substantial. As of April 2025, the World Bank reported approximately $29.5 billion in active financing for social protection, including $15.5 billion through the International Development Association. World Bank-supported social protection programs reached more than 222 million people in 2024, with more than half of the beneficiaries being women. Approximately 57 million beneficiaries were located in fragile, conflict-affected, or violent environments. These results confirm that international financial cooperation has increasingly become a mechanism not only for financing development projects but also for protecting households from economic, social, and humanitarian risks.

One of the clearest examples of successful international financial cooperation is the European Union's Support to Mitigate Unemployment Risks in an Emergency, commonly known as SURE. The mechanism was created during the COVID-19 crisis to help EU member states finance short-time work arrangements and similar employment-protection measures.

The SURE mechanism provided approximately €98.4 billion in financial assistance to 19 EU member states, while total expenditure on measures supported by SURE reached almost €122 billion. Approximately 31.5 million employees and self-employed persons and around 2.5 million firms were covered in 2020. In 2021, support still reached approximately 9 million people and more than 900,000 firms, before being gradually phased out as economic conditions improved.

The most important social result was its contribution to preventing unemployment. The European Commission estimated that policy measures including those supported by SURE helped prevent unemployment for approximately 1.5 million people in 2020. Member states also saved an estimated €9 billion in interest payments because financing was provided under favorable conditions. Small and medium-sized enterprises, particularly those operating in accommodation, food services, retail, wholesale, and manufacturing, represented a significant share of beneficiaries.

From the perspective of social stability, this case demonstrates that international financial cooperation can be more effective when it is preventive rather than purely compensatory. Instead of allowing businesses to dismiss employees and subsequently financing unemployment benefits, the SURE mechanism helped firms maintain employer–employee relationships. This preserved household income, reduced uncertainty, maintained consumer demand, and limited the deterioration of labor-market conditions.

The results also highlight an important multiplier effect of international cooperation. By borrowing collectively under favorable financial conditions, the European Union reduced financing costs for individual member states while enabling them to maintain larger social and employment programs. Therefore, international financial cooperation simultaneously generated fiscal, economic, and social benefits.

Jordan provides another important example, particularly because the country has faced significant socioeconomic pressure from hosting approximately 1.3 million Syrians alongside its domestic population. The large refugee population created additional demand for public services, housing, employment, education, healthcare, and infrastructure, making international financial assistance essential for maintaining both humanitarian support and social cohesion.

The Global Concessional Finance Facility has played an important role in this process. By 2024, Jordan had received approximately $593 million in GCFF grants, which enabled around $2.9 billion in concessional loans from participating multilateral development banks. One specific Economic Opportunities for Jordanians and Syrian Refugees Program-for-Results received $400 million in World Bank financing together with a $51 million GCFF grant.

The employment outcomes are particularly significant. Annual work permits issued to Syrian refugees increased from approximately 37,000 in 2016 to more than 90,000 in 2023. More recent World Bank reporting indicates that the annual number rose from about 45,000 in 2019 to 90,000 in 2023, with approximately 340,000 work permits issued cumulatively.

Financial inclusion also improved considerably. The number of e-wallets and basic bank accounts held by Jordanians and refugees increased from approximately 620,000 in 2020 to 2.9 million by January 2024. Accounts held by women rose from around 202,000 to more than 929,000, while the number of e-wallets held by Syrian refugees increased from approximately 18,000 to 178,419 over the same period.

Reforms supported through the program also reduced barriers to entrepreneurship.

Changes in the Greater Amman Municipality reduced the number of steps required for municipal business licensing from 110 in 2018 to only 13 in 2023. By September 2023, more than 4,900 home-based businesses had been licensed, of which over 2,800 were owned by women.

Additional World Bank-supported employment initiatives produced further measurable outcomes. By 2025, around 48,000 Jordanians had secured formal-sector jobs, of whom approximately 52% were women, while another 30,000 people were receiving on-the-job training.

In digital sectors, more than 4,000 people were trained and over 3,200 job opportunities were created.

The Jordanian experience demonstrates that international financial cooperation can support social stability by reducing competition and tensions between refugees and host communities.

Rather than focusing exclusively on humanitarian transfers, financing was connected to formal employment, entrepreneurship, financial inclusion, women's economic participation, childcare, and regulatory reform. Such an approach strengthens economic self-reliance and reduces long-term dependence on humanitarian assistance.

Bangladesh represents a different model of international financial cooperation in which external financing is closely linked to institutional reform of the national social protection system.

In June 2024, the Asian Development Bank approved a $250 million policy-based concessional loan under the Second Strengthening Social Resilience Program. The program was designed to improve the efficiency of social protection management, expand protection for vulnerable populations, and develop preventive mechanisms to reduce the risk of households falling into poverty.

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The financing was complemented by technical assistance and international co-financing. ADB data show that the 2024 subprogram included a $250 million ADB loan, together with $2 million in technical assistance funding, while the Export-Import Bank of Korea provided an additional $100 million in parallel financing. The ADB loan was fully disbursed by November 2025.

International cooperation continued in 2026. In April 2026, ADB approved another $250 million loan under Subprogram 2 of the Second Strengthening Social Resilience Program. The new financing is aimed at institutionalizing earlier reforms, improving efficiency and coverage, expanding protection for vulnerable groups, particularly women, and strengthening contributory protection mechanisms.

The Bangladesh case illustrates that the social impact of international finance should not be measured only by the immediate number of cash-transfer recipients. International financial cooperation may have a longer-term stabilizing effect when it improves administrative systems, databases, payment mechanisms, policy coordination, social insurance, and the capacity of governments to respond to future shocks.

The cumulative approach implemented in Bangladesh—from the first Strengthening Social Resilience Program to subsequent subprograms—also demonstrates the value of continuity in international cooperation. Rather than implementing isolated short-term interventions, the cooperation framework supports sequential institutional reforms. This increases the probability that social protection improvements will remain operational after individual financing programs are completed.

Uzbekistan provides an important emerging example of international financial cooperation supporting institutional modernization and social inclusion. As part of broader socioeconomic reforms, the country has intensified cooperation with international financial institutions in poverty reduction, employment, social services, human-capital development, and protection of vulnerable citizens.

In May 2024, the World Bank approved a $100 million concessional loan for the Innovative Social Protection System for Inclusion of Vulnerable People, known as the INSON Project. The financing was complemented by a $2 million grant from the Early Learning Partnership, bringing total project financing to approximately $102 million.

The project is important because it supports not only the provision of services but also the institutional transformation of the social protection system. It includes development of a national social-protection information technology platform, strengthening of INSON social service centers, introduction of social case-management methods, improvement of targeting for low-income family allowances, and development of adaptive social-protection mechanisms that can respond more effectively to future economic or social shocks.

For Uzbekistan, this institutional effect is particularly important because social stability depends not only on the amount of transfers distributed to vulnerable citizens but also on whether support reaches the right beneficiaries at the right time.

Digitalization and integrated social registries can reduce duplication, administrative costs, and exclusion errors while improving transparency and accountability.

Comparative Results

The comparative evidence from the selected cases can be summarized as follows:

Country or program	Main international financing	Selected measurable result	Main contribution to social stability
European Union – SURE	€98.4 billion	31.5 million people and 2.5 million firms supported in 2020; around 1.5 million unemployment cases prevented	Preservation of employment and household income
Jordan – World Bank/GCFF	$593 million GCFF grants enabling $2.9 billion in concessional loans	340,000 cumulative work permits for Syrian refugees; financial accounts increased from 620,000 to 2.9 million	Refugee integration, employment and financial inclusion
Bangladesh – ADB and partners	$250 million in 2024, followed by another $250 million in 2026	Expansion and modernization of social protection institutions	Poverty-risk reduction and stronger institutional resilience
Uzbekistan – World Bank/partners	$100 million concessional loan + $2 million grant	More than 57,000 expected beneficiaries, 3,000 social workers trained and 1,200 new or better care-sector jobs	Social inclusion, targeted assistance and adaptive social protection

Source: Compiled by the author based on European Commission, World Bank and Asian Development Bank data.

The comparative analysis reveals several common patterns. First, the strongest social results are observed when international financing is linked to specific social objectives rather than provided as unrestricted financial support. The SURE mechanism was directly associated with employment preservation; Jordanian financing was linked to refugee and host-community economic participation; Bangladesh used policy-based financing to institutionalize social protection reforms; and Uzbekistan is using concessional financing to develop an integrated social-service system.

Second, the results confirm that employment is one of the most important channels connecting international finance with social stability. In the European Union, preserving employment prevented sharp household-income losses. In Jordan, formalizing refugee employment reduced economic exclusion. In Uzbekistan, social-sector investment is expected to generate new employment while improving service delivery.

Third, financial inclusion emerges as another important stabilizing mechanism. Jordan's increase from approximately 620,000 to 2.9 million e-wallets and basic bank accounts illustrates how financial-sector reforms can increase access to savings, transfers, credit, and formal economic activity. Financial inclusion strengthens households' capacity to manage unexpected shocks and enables vulnerable groups to participate more actively in the economy.

Fourth, institutional capacity appears to determine the sustainability of international financial cooperation. Bangladesh and Uzbekistan demonstrate that financing digital systems, social registries, case-management mechanisms, professional capacity, and policy frameworks can have effects beyond the immediate financing period. Such reforms create the infrastructure necessary for governments to respond to future crises without constructing entirely new support systems each time.

Discussion

The experiences analyzed above show that international financial cooperation can significantly contribute to social stability when financial resources are strategically integrated with national social and economic policies.

The first important lesson concerns the relationship between economic stabilization and social protection. Macroeconomic adjustment cannot be sustainable if vulnerable households bear excessive social costs. For this reason, modern international financial programs increasingly recognize the importance of protecting social expenditure. IMF guidance explicitly considers social protection, education, and healthcare important instruments for inclusive growth, inequality reduction, and demand stabilization during economic shocks.

The second lesson concerns employment. The European SURE experience demonstrates that protecting jobs may be more socially and economically efficient than financing unemployment after employment relationships have already collapsed. Maintaining employment helps preserve skills, household purchasing power, tax revenues, business capacity, and public confidence.

Third, the Jordanian experience shows that international cooperation can contribute to social cohesion in countries experiencing large migration and refugee pressures. Providing opportunities for employment, entrepreneurship, financial inclusion, healthcare, and education to both refugees and host communities reduces competition over scarce resources and strengthens economic participation.

Fourth, international financing is more sustainable when it develops domestic institutional capacity. Bangladesh and Uzbekistan illustrate the importance of modern social registries, targeted assistance, digital service delivery, improved administrative coordination, and stronger human-capital policies.

However, external financing also creates risks. Excessive borrowing can increase public debt; poorly designed conditionality may generate social costs; weak governance can reduce the effectiveness of spending; and dependence on external funding can undermine long-term sustainability. International financial cooperation should therefore be based on debt sustainability, transparency, national ownership, measurable social outcomes, and effective monitoring.

Conclusion

International financial cooperation has evolved into an important mechanism for strengthening not only economic stability but also social resilience.

Evidence from the European Union, Jordan, Bangladesh, and Uzbekistan demonstrates that international financing can contribute to employment preservation, poverty reduction, refugee integration, financial inclusion, improved social services, and stronger social-protection institutions.

The European SURE mechanism demonstrated the effectiveness of rapid international financial solidarity in protecting employment during an unprecedented economic shock. Jordan showed how concessional financing can simultaneously support host communities and refugee integration. Bangladesh demonstrated the importance of linking international resources to structural social-protection reforms, while Uzbekistan illustrates how international partnerships can support the creation of a more inclusive and institutionally developed social-protection system.

The central conclusion is that the amount of international financing alone does not determine its contribution to social stability. The design and allocation of financial resources are equally important. Successful cooperation combines financial support with employment creation, targeted social protection, human-capital development, digitalization, effective institutions, transparency, and clearly measurable outcomes.

Therefore, countries seeking to strengthen social stability should treat international financial cooperation not merely as a source of external capital but as a strategic instrument for building resilient institutions and inclusive economies. Future cooperation should give greater priority to social-impact indicators, vulnerable groups, employment creation, adaptive social-protection systems, and long-term institutional capacity. Such an approach can transform international financial cooperation into a sustainable mechanism for inclusive development and social stability.

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