

THESIS SUMMARY

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Thesis title: FINANCIAL CRISIS IN PAKISTAN AND ROLE OF
IMF: A COMPREHENSIVE STUDY OF THE IMPACT
OF IMF LOANS AND ITS CONDITIONALITIES ON
THE MACROECONOMIC INDICATORS OF
PAKISTAN

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SUMMARY

Economically developing nations like Pakistan actively pursue financial aid to address their financial shortfalls, with the International Monetary Fund (IMF) standing out as a major provider of loans to countries in need. Pakistan's history with IMF arrangements is both extensive and unfortunate, comprising a total of 24 programs initiated since the inception of IMF-supported initiatives. The primary objective of these programs has consistently been to avert monetary collapse and financial instability, with the looming risk of transitioning into hyperinflation. IMF programs are one of the controversial issues in Pakistan. This study delves into the impact of the IMF loans and its conditionalities on Pakistan's key macroeconomic indicators such as GDP growth, inflation, unemployment, poverty, and current account balance. The research methodology involves qualitative data analysis relying on secondary data, utilizing time series data spanning from 2000 to 2023 retrieved from the IMF and World Bank Database. The findings indicate a long-term negative and statistically insignificant correlation between macroeconomic indicators and IMF loans. It is obvious to stop taking loans from IMF further as Pakistan is already facing huge debt crisis. In essence, this paper sheds light on the complex dynamics of financial assistance, revealing a complex interplay between the conditions set by the IMF and the macroeconomic landscape of Pakistan. The paper also provides recommendations for the improvement of financial and economic situation in Pakistan.

Keywords:

- IMF Loans
- Conditions
- Financial Crisis
- Pakistan
- Impact
- Macroeconomic indicators