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Impact of IMF Programs on Pakistan's Macroeconomic Stability; The Future of Pakistan's Finances and Macro Economy

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ABSTRACT

This study focuses on the International Monetary Fund (IMF) programs' impact on macroeconomic stability in Pakistan, and whether this investigation helps determine how Pakistan's finances and macroeconomic framework look in the future. The motive for this study derives from Pakistan's deep reliance on the IMF, stemming from Pakistan's continuous engagement with the IMF given dire economic circumstances of persistent fiscal deficits, external bottlenecks and inflation. The investigation is based on two objectives aimed at assessing how effective the IMF funded reforms and policy activities are and what implications for Pakistan's economic and fiscal future, which ultimately led to asking two research questions with regards to the nature of the correlation between IMF activities and macroeconomic stability indicators. The investigation adapted a quantitative research methodology, using a survey research methodology design. The structured questionnaire is sent to a sample of 150 economics, fiscal analysts, monetary specialists, finance specialists, academics and researchers. The study tested two hypotheses and examined the relationship between the IMF conditionality and macroeconomic stability indicators. Respondents were asked survey questions which were summarized in a pie chart to show how the results are distributed and the respondents' viewpoints. The study results indicate mixed feelings on the outcomes of the IMF program. For example, some experts believe Pakistan's engagement with the IMF provided some short-term stability, however, others believe continued fiscal and external vulnerabilities remain a risk. The overall conclusion of the study is that Pakistan obtains sustainable macro-economic stability only with a balanced policy mix, including fiscal discipline, structural reform and reduced external support for borrowing. It is important that future frameworks for economic growth include home grown, using international partners to support the development of stability and economic independence.

INTRODUCTION

Over the past few decades, Pakistan has relied on arrangements with the International Monetary Fund (IMF) which would likely be categorized as multifactorial or systematic errors in reporting due to persistent economic problems in particular fiscal deficits, balance of payments, inflation and gradual decline of foreign reserves. Such persistent reliance on the IMF would suggest both structural fragility of Pakistan's macro-economic system and reliance on another entity to maintain financial stability. In this sense the proposed concept suggested by the IMF, to restore fiscal order and commitments, can only be meaningfully established and continue through the lens of potential negative impacts these IMF interventions might have, specifically in the areas of austerity packages, social welfare and sovereignty over the country. (Nasir, 2025)

Discussions on the economic effects of IMF arrangements held within the community of economists, policy makers and development experts have held arguments for and against it. Supporters of arrangements with the IMF have commented that their support provides timely and important buffer and policy frameworks that restore the macro-environment, catalyst for disposition of foreign investment and provide confidence to potential investors. Nonetheless, the critics argue that IMF conditionality help to pressure countries into diminishing public expenditure, implementing taxes, devaluation of currency and adverse social conditions that are not conducive to proper long term growth and human development (Sultan et al., 2025)

Since Pakistan has turned to the IMF on many occasions and takes on the latest EFF (Extended Fund Facility) program, it is important that we independently evaluate what the real outcomes these IMF arrangements have on Pakistan's macroeconomic stabilization. This study provides a fundamental contribution to the existing gap by exploring the views of economists, public finance analysts and financial professionals to measure what they think is the effectiveness of IMF programs effectively leading Pakistan's economic sustainability. (Khattak, 2025)

By measuring the opinions of experts and analyzing data from a quantitative perspective, this study seeks to provide an empirical account of the effects of IMF interventions and their ramifications for Pakistan's fiscal future; we also hope to contribute to a larger argument regarding economic sovereignty, reform policy, and the role of international financial institutions in developing countries.

BACKGROUND

Pakistan has faced repeated bouts of financial crises, external imbalances, and macroeconomic stress on its economic journey. The country has been forced to resort to the use of the International Monetary Fund (IMF) on numerous occasions since the late 1950s. To date, more than 20 IMF programs have been initiated, which makes Pakistan one of the Fund's frequent clients. Programs mainly took the form of both Stand-By Arrangements (SBA) and Extended Fund Facility (EFF) programs designed to stabilize Pakistan's economy through Structural Reforms, fiscal consolidation, and monetary tightening. (Anwar, 2025)

Despite the introduction of IMF loans numerous times, Pakistan has continued to struggle from widening fiscal deficits, stagnant exports, currency depreciation, and inflationary pressures. Critics argue that the conditionality attached to these IMF programs often create socio-economic strains (for example, unemployment, reduced social spending and resentment) through subsidy cuts, tax reforms and austerity measures. Meanwhile, proponents of these programs believe they are necessary to assist in restoring macroeconomic discipline, rebuilding foreign exchange reserves, and reestablishing the credibility of these policies in international markets. (Nasir, 2024)

The multifaceted nature of IMF interventions in Pakistan has taken place respectively, countless debates, and divergent opinions regarding the viability of such intervention to safeguard long term prospects and sovereignty in the national economy. Even when some stabilization may have occurred in these initial phases of programs, their sustainability as a set of reforms may be challenged by institutional capacity, persistent political instability, and reluctance to engage in ongoing structural adjustments. (Razzaq, 2025)

Given these ongoing issues, it is essential to question the extent to which continued IMF assistance provides concrete improvements to the economy or simply mollifies the issue. In this study, we analyze the same issues relative to opinions expressed by experts, namely economists, public finance analysts and finance experts in terms of the macroeconomic implication all contributing toward macroeconomic stability and the extent to which any IMF programs related to Pakistan should play a role in relation to the country or future framework.

RESEARCH GAP

Despite the literature regarding IMF assistance in developing countries outlining a significant role for the IMF stabilization efforts, there remains little to no empirical studies that examine the perceived effectiveness of IMF programs on the issue of developing long-term macroeconomic stability for Pakistan. Most literature tends toward long descriptive economic trends or financial statistics or macro level policy impacts and more rely on reports of the authors or others engaged with Pakistan.

In addition, previous literature has mainly relied on secondary data, such as economic indicators, IMF publications, and reports, and has only occasionally employed quantitative primary data collection methods involving the opinion of local experts. This has disengaged the theoretical outcomes contemplated by global institutions from the reality of national stakeholders.

Moreover, there is not enough discussion regarding how repetitive IMF implementation is involved in national economic planning, fiscal sovereignty, and structural change in Pakistan. The nuanced outcomes of IMF conditionality for sustainable growth, economic activity, inflation control, and poverty reduction are not sufficiently elaborated, especially when examined through the lens of domestic economic experts.

This study aims to fill this gap by collecting quantitative survey write ups from important economic sector stakeholders in Pakistan. The study is able to offer a deeper and more thorough assessment of how and if IMF programs have impacted the macroeconomic framework of Pakistan, and what this means for the country's future viability and finances.

PROBLEM STATEMENT

Pakistani policymakers have engaged with the International Monetary Fund (IMF) on numerous occasions over the past few decades and have found themselves in the same predicament. They continue to face crises of macroeconomic instability characterized by persistent fiscal deficits, entrenched inflation, dwindling foreign reserves and unmanageable debt burdens. While many players believe that engagement with the IMF provides immediate (and much needed) financial relief along with the encouragement to implement structural reforms, the debate remains open about the long run effects of IMF conditions on economic stability and sustainable growth in Pakistan.

While some of the previously done literature has examined the association between policies instigated by IMF engagement and specific economic indicators, there is a lack of empirical work that draws upon the insights of domestic experts, and economists, who deal directly in the evaluation, condition creation and framing of using indicators of the state of the Pakistani economy daily. There is a large divide, many analysts infer, between the theoretical framework prescribed by the IMF and the potential realities of the implementation of those policies, especially considering Pakistan's economic environment.

This research addresses the fundamental question of whether the interventions of the IMF have led and will lead to tangible, identifiable and persistent macroeconomic stability in Pakistan, or if the interventions are simply welfare solutions that entrench dependency, diminish national sovereignty of policy creation and recommendation, and further escalate the economic and financial dilemmas faced by Pakistan. This study will also engage with what these interventions may mean for the use and planning for future economic independence, sovereignty, and resilience through fiscal, or a lack thereof, space.

STUDY OBJECTIVES

This research is based on two primary objectives:

1. To assess the perceived effects of IMF programs on Pakistan's macroeconomic stability regarding fiscal discipline, inflation, debt sustainability, and foreign reserves.
2. To evaluate responses to expert views on the long term ramifications of IMF interventions for Pakistan's future financial autonomy and economic planning economy, with regards to sustainability and the economic efficacy of reforms and policies.

RESEARCH QUESTIONS

This study is address two research questions:

1. What are the perceptions of economists and financial experts on the value of IMF programs for macroeconomic stability in Pakistan?
2. How might IMF interventions affect Pakistan's future financial planning, economic sovereignty, and structural reform sustainability?

SIGNIFICANCE OF THE STUDY

This study has an essential value of significance for academic and policy implications, particularly as Pakistan is currently on an ongoing financial program with the International Monetary Fund (IMF) facing continued economic instability where knowledge of what works in the real world for these programs is important in shaping and deciding future financial autonomy and responses to reform agendas.

This study seeks to provide empirical evidence on the perceived positive and negative impacts of IMF programs in Pakistan by gathering the opinions of key stakeholders, including economists, fiscal analysts, monetary scholars, finance experts, and academic researchers. Unlike purely statistical or theoretical studies, this research relies on a range of experts' opinions to offer a more pragmatic, context specific evaluation of the overall macroeconomic impacts of IMF support.

The findings of this study is useful to:

- Policy makers as they strive to design economic policies that foster improved outcomes
- Economic institutions, as they seek to better comprehend the fundamental tradeoffs involved with ongoing socio economic policymaking under IMF programs
- Scholars and researchers, since there is only a small amount of literature that looks at expert based evaluations and assessments of IMF programs in developing nations
- Public debate, in raising awareness about issues of economic sovereignty, debt dependency, and fiscal space;

Overall, this study is aimed at developing a more robust and self-sufficient economic structure for Pakistan and understanding the direction of negotiations with international financial institutions.

LITERATURE REVIEW

The International Monetary Fund (IMF) was established in July 1944, during the UN Monetary and Financial Conference, by 45 Countries to stabilize the world economic system and to deal with financial crises. It officially began operations on December 27, 1945 when a formal agreement was reached by member nations, and today consists of 189 members who have voting power according to the quota from which they were assigned voting rights to make important decisions based on this quota system. Any such votes must be a minimum of 85% of the total vote with the dominant vote from the US. In 2016 the IMF agreed on a pool of resources of over $666 billion. Countries that face balance of payment problems, may (collectively) gain monetary assistance, called a bailout. This type of IMF plan implemented known as stabilization Policy is about corrected macroeconomic disturbances on an economy when there is a diversion of their economic growth. It allows for the recovery of a failing economic system. Therefore, the policy stabilization would aim to attain three goals: (a) long term economic growth, (b) currency stabilization, and (c) low unemployment. This organization facilitates the financial order that is sought by nations around the world for economic advancement.

The IMF aims to provide financial support, improve global monetary cooperation, restore stability in prices and growth, encourage broad positive trade, increase levels of investment and jobs, improve macroeconomic balance, and diminish worldwide poverty. Basically, if a nation is impeded in an economic transaction, the IMF has an obligation to support that nation. The responsibilities of an IMF are therefore: Surveillance, Technical assistance, and financial support of nations that cannot secure international payments.

The IMF began with 10 programs to help indebt countries, it now makes three distinct lending arrangements to provide support to countries. (1) Stand-by Arrangement (SBA): short term payments, funds made available to address temporary payment issues. (2) Extended Fund Facility (EFF): provides medium-term loans to more serious structural deficits. (3) Poverty Reduction and Growth Facility (PRGF): a concessional scheme that was launched in November 1997, to replace ESAF, which aimed to reduce poverty and help with growth. The IMF Special Drawing Rights (SDRs) are IMF funded reserve assets, often thought of as its "currency", are now valued against sell currencies, (i) US Dollar, (ii) British Pound Sterling, (iii) Euro, (iv) Chinese Renminbi and (v) Japanese yen. (vi) SDRs are like coupons to swap currencies among member countries.

When the IMF loans are made, it looks at the borrower's policies and strengthening measures, and condition their policies along with the IMF requirements, called IMF Conditionalities. The requirements originated in the 1950-1960s, and became important after the oil shocks of the 1970s and the debt crises in the 1980s.The typical IMF conditions include: (a) structural adjustments, (b) privatization, (c) deregulations of markets, (d) tackling fiscal deficits, (e) increase interest rates to stabilize currency, (f) tax rises and spending cuts, (g) allow inefficient firms to go bankrupt, and (h) decrease corruption and bureaucracy.

The IMF, and its proponents claim that its programs remedy fundamental macroeconomic imbalances. On the other side of the argument, critics claim that these policies deepen the fora dependence on the IMF and increase poverty exposure among the countries receiving aid. One other criticism is the IMF's use of a controversial quota-based decision process that creates subordination for borrowers and dominion for lenders. The countries with deeper pockets, give more money, get more votes; the others, are relegated to the ranks of being a "developing country". Still, the IMF justifies this arrangement with respect to redistributive justice. (Diamond, 1972)

Another important point to clarify is that Pakistan was created in 1947 and joined the IMF on July 11th, 1950. Since then, its economic reliability has foundered, therefore, naturally over the course of the last 61 years, the IMF has been able to lend money in.either either various forms. The history in the last 61 years has, for Pakistan, resulted in 21 loans from the IMF and, a 22nd agreement signed under the Extended Fund Facility (EFF), for 6 billion dollars to address the fiscal gap earned between 2019-2022. The first draw occurred in 1958 when Pakistan accepted fifty million Special Drawing Rights under a Standby Agreement (SBA) as a result of its lack of foreign exchange reserves; but the SBA are canceled before full disbursement was completed.

In the last thirty years, the compulsory relationship with the IMF has exploded; starting significantly on December 28, 1988, when a new SBA was signed. Following that event, the almost continuous history of securing IMF loans to cover external deficits in excess of expenditures has allowed Pakistan to work through the political implications of a series of programs like: Standby Agreement (SBA), Extended Fund Facility (EFF), Structural Adjustment Programs (SAP), Enhanced Structural Adjustment Programs (ESAF), Compensatory Financing Claims (CFC), and Poverty Reduction and Growth Facility (PRGF). Ultimately, though, the very harsh conditionalities applying to these loans have impacted the population and the economy of Pakistan negatively.

Fidrmuc and Kostagianni (2015) studied from 1971–2009 on the impact of IMF loans on global growth to 213 countries and found no significant improvements in growth and investment. Based on 30 years (1970–2000) of panel data on 98 countries, Dreher (2004) reviewed the impact of IMF programs on growth and also came to the conclusion that IMF programs did generally not support economic progress. Umer et al. (2015) considered whether IMF aid was helpful or harmful to Pakistan. Their unobtrusive and descriptive analysis noted that the conditions attached to loans were so excessive, that IMF had become a burden to the country.

Githua (2013) examined the impact of IMF and World Bank programs in Kenya. Based on both primary and secondary data, he concluded that these reforms had negatively impacted poverty and slowed development. Based on the stabilization policies of Pakistan, Bengali and Ahmed (2000) found that the past governments had sacrificed growth for stabilization measures, and the subsequent impact had a negative impact on GDP. They further stressed that for reform policy to be effective, it could not trade off growth, for stabilization measures. Haque and Khan (1998) examined multiple studies and determined that the impact of IMF conditions had a positive effect on stability in nations where governments displayed a strong will to reform. Butkiewicz and Yanikkaya (2004) contended that the IMF and World Bank loans may help promote growth through public investments.

They further noted that IMF support frequently did not produce positive support or created risks for growth by harming both public and private sector investment. Amjad and Kemal (1997) employed time series data to examine poverty for rural and urban regions in Pakistan and stated as follows: "Poverty within households appears to have risen with the implementation of structural reforms as a result of decreased economic growth, jobs and social spending." Gera (2007) studied the impact of IMF-supported reforms on welfare in Pakistan from 1988 to 1999, concluding that the creeping dislocations of labour and low income groups were due to the adverse impacts of IMF-supported reforms. Przeworski and Vreeland (2000) stated that a country does not grow while it is under IMF supervision, and after leaving an IMF program, a country grows faster, but less than if it had not been in an IMF program. Barro and Lee (2003) called "the IMF a political organization" that facilitates access to loans for the materially powerful. Ivanova (2003) argued that the efficacy of an IMF program might be influenced by the political and economic systems of a country poor governance, instability and inequality led to poor outcomes for the IMF. Zaidi (2000) argued that Pakistan's need was not loans from the IMF it was reforms. He insisted that the longer-term solutions to Pakistan's macro issues lay in better governance not money from the outside.

According to Awan and Mukhtar (2019) while Pakistan's economy did not improve significantly during IMF programs and there was only a minor economic performance improvement with regard to the budget deficit, the severe conditionalities in the IMF programs worsened poverty and the economy in general and conditionalities were not modified in response to the negative effects. Awan and Anwar (2016) cited out of control government spending and a lack of a proper tax base as reasons for Pakistan's continued reliance on the IMF. They claimed that revenue sources must be expanded rather than relying upon loans from external sources. Stiglitz (2006) viewed the IMF and World Bank programs in Asia budgets as increasing the debt burdens of governments. Stiglitz remarked that even though funds should flow from rich to poor countries, debt servicing flows in the opposite direction.

RESEARCH DESIGN

The current study employs a quantitative research design to assess the value of IMF programs on the macroeconomic stability of Pakistan and provide stakeholders insight on their financial futures. The design is built to provide objective measurement, comprehensive data collection, and statistical analysis to uncover patterns, trends, and relationships in the target population.

Survey research is used, which is appropriate for collecting standardized responses from a large group of participants. The authors developed a structured questionnaire to collect information from professionals with detailed knowledge, background, and experience in economics, fiscal policy, and financial analysis.

The target population of this study consisted of economists, fiscal analysts, monetary experts, financial analysts, scholars, and researchers from academic institutions, think tanks, financial organizations, and government organizations. The authors used a purposive sampling technique to ensure the selected respondents had the appropriately identified skills. Study participants totaled 150.

The authors conducted a pilot test with a small subgroup to establish the instrument's reliability and clarity before full scale data collection. Responses are collected using Likert-scale questions to measure participants' perceptions of the effectiveness of the IMF programs, economic sustainability, and the impact on financial sovereignty.

Data collected is analyzed by descriptive statistics, with a few pie charts and other visual representations of the distributions and highlights in response patterns. The methodology also allows for testing of two hypotheses designed to identify the relationships between IMF interventions and Pakistan's macroeconomic variables.

This quantitative research design provides a clear basis for determining conclusions and policy relevant recommendations based on expert opinion.

RESEARCH METHODOLOGY

This research employs a quantitative research methodology to professionally investigate the perceived impact of IMF programs on Pakistan's macroeconomic stability. The methodology is designed for reliability and validity by maintaining objectivity in data collection and analysis while focusing on the accounts of professionals that are directly involved in economic policy and financial analysis.

1. RESEARCH APPROACH

A deductive procedure has been used, permitting the possibility to test fulfilling an original intention by assessing empirical data through the predefined hypotheses that the study intends to test. The deductive procedure and hypothesis testing links to the aim of validating professional opinions using quantifiable and statistical tools.

2. RESEARCH METHOD

Survey method has been used in this study because the survey yielded systematically uniform, quantifiable data from a large cohort of domain experts. A well-structured questionnaire is developed, with both closed-ended questions and Likert-scale questions to provide respondents with the opportunity to capture their own perspectives on issues (variables) related to IMF program and macroeconomic issues.

3. POPULATION AND SAMPLE

The population included economists, fiscal analysts, monetary analysts, finance analysts, academic researchers with specialized knowledge in the economic affairs of Pakistan and researchers specializing in economic affairs of Pakistan. Respondents were drawn from a mixture of universities, think tanks, financial institutions and policy institutions.

- **Sampling Method:** The sampling method is purposive, so only qualified respondents with either considerable experience or significant expertise were included.
- **Sample Size:** The sample size is 150 respondents sufficient for the purpose of making valid inferences from the data.

4. INSTRUMENT DESIGN

The instrument is a self-administered structured questionnaire that consisted of the following for sections:

- Demographic and professional information
- Expectations regarding the effectiveness of the IMF program
- Perception of the indicators of macroeconomic stability
- Attitudes regarding future fiscal/economic sovereignty plans

The instrument is piloted with a small sub sample to test the validity of the instrument to assess clarity, consistency and relevance.

5. DATA COLLECTION

Data collection is completed via email and the in person administration of the questionnaire during a four week period. The anonymity of the questionnaires is assured to respondents in an effort to evoke honest and unbiased responses.

6. DATA ANALYSIS

Data that were collected by way of the structured questionnaire were analyzed in statistical software. The responses are analyzed by way of descriptive statistics (i.e., frequencies and percentages) and a visual summary using pie charts for clarity of presentation and interpretation. The study examined hypotheses to reveal patterns between IMF programs and macroeconomic indicators.

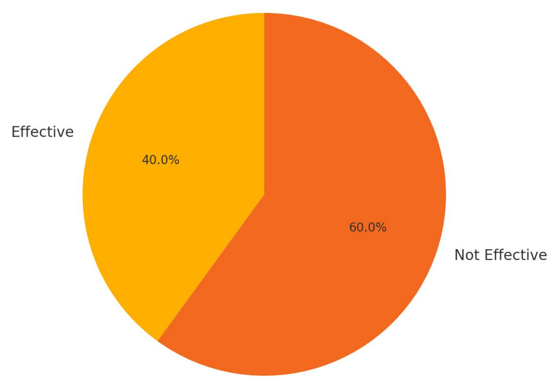
DATA ANALYSIS

The data collection by way of structured questionnaires are analyzed using quantitative descriptive statistical techniques, to interpret expert opinion about selected IMF programs which possibly influence Pakistan's economic stability and economic hardships. The experts represented 150 options comprising economists, fiscal and monetary policy analysts, financial experts, academics and researchers. This data was structured and processed using spreadsheet and statistical tools.

DATA ANALYSIS

TABLE 1: PERCEIVED EFFECTIVENESS OF IMF PROGRAMS

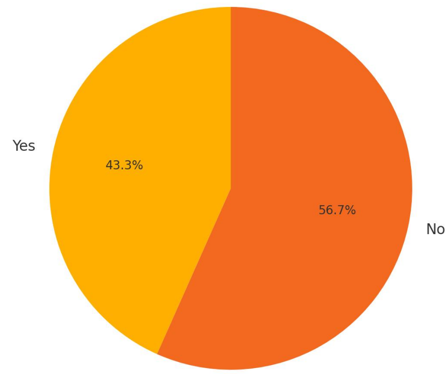
Perceived Effectiveness of IMF Programs	Frequency	Percentage
Effective	60	40.0%
Not Effective	90	60.0%



Discussion: A majority (60%) of respondents perceived the IMF programs as ineffective in addressing Pakistan's economic challenges. Only 40% viewed them as effective, suggesting a lack of consensus among experts regarding their impact on macroeconomic stability.

TABLE 2: IMF SUPPORT FOR SUSTAINABLE REFORM

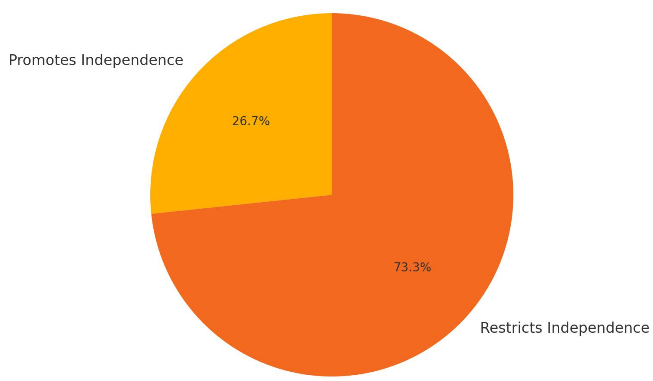
IMF Support for Sustainable Reform	Frequency	Percentage
Yes	65	43.3%
No	85	56.7%



Discussion: About 56.7% of respondents believed that IMF programs did not support sustainable economic reform. This reflects concern about the long-term viability of reforms driven by external conditions.

TABLE 3: PROMOTION OF FINANCIAL INDEPENDENCE

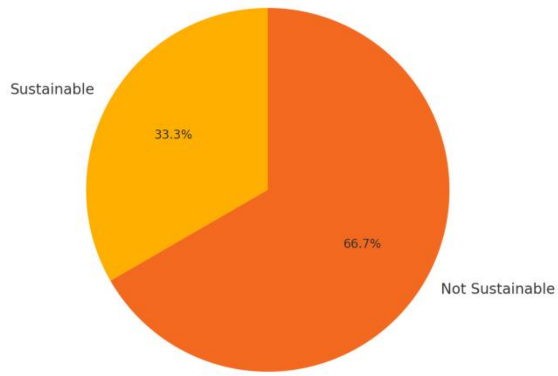
Promotion of Financial Independence	Frequency	Percentage
Promotes Independence	40	26.7%
Restricts Independence	110	73.3%



Discussion: An overwhelming 73.3% of experts believed that IMF programs restrict Pakistan's financial independence, indicating significant apprehension about the loss of fiscal sovereignty due to conditionalities.

TABLE 4: LONG-TERM SUSTAINABILITY OF IMF BENEFITS

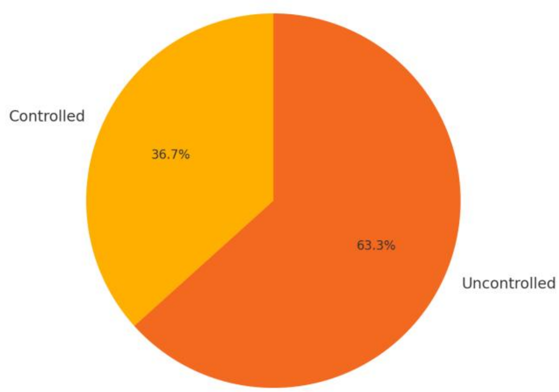
Long-Term Sustainability of IMF Benefits	Frequency	Percentage
Sustainable	50	33.3%
Not Sustainable	100	66.7%



Discussion: Two-thirds (66.7%) of experts reported that the benefits of IMF involvement are not sustainable, underscoring concerns that reforms may not have lasting structural impacts without domestic initiatives.

TABLE 5: IMPACT ON INFLATION CONTROL

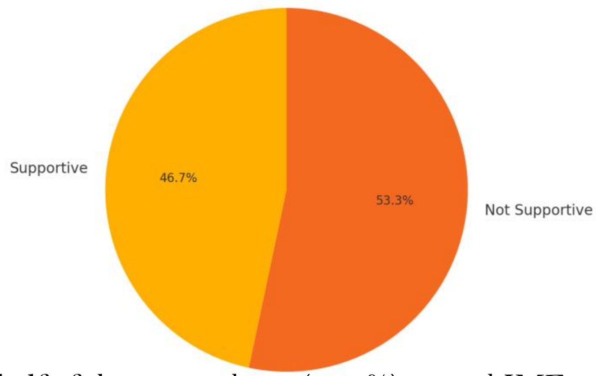
Impact on Inflation Control	Frequency	Percentage
Controlled	55	36.7%
Uncontrolled	95	63.3%



Discussion: 63.3% believed IMF programs failed to control inflation, raising doubts about the effectiveness of monetary tightening measures attached to loan conditions.

TABLE 6: SUPPORT FOR STRUCTURAL REFORM

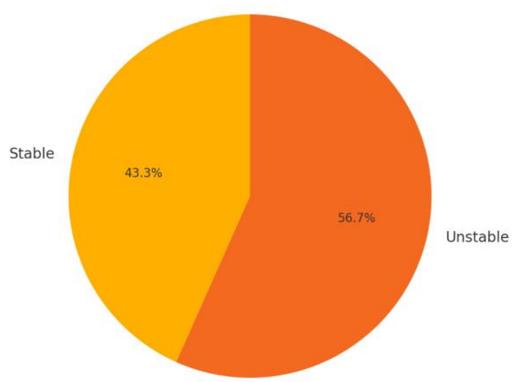
Support for Structural Reform	Frequency	Percentage
Supportive	70	46.7%
Not Supportive	80	53.3%



Discussion: Just under half of the respondents (46.7%) agreed IMF support facilitated structural reforms, suggesting room for stronger implementation mechanisms.

TABLE 7: EFFECT ON EXCHANGE RATE STABILITY

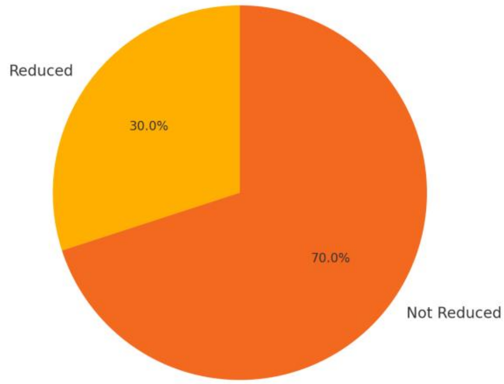
Effect on Exchange Rate Stability	Frequency	Percentage
Stable	65	43.3%
Unstable	85	56.7%



Discussion: Despite IMF assistance, 56.7% of experts reported persistent exchange rate instability, pointing to ongoing pressure on the currency even under external oversight.

TABLE 8: REDUCTION IN FISCAL DEFICIT

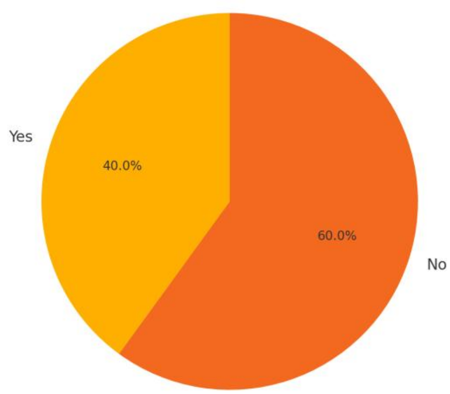
Reduction in Fiscal Deficit	Frequency	Percentage
Reduced	45	30.0%
Not Reduced	105	70.0%



Discussion: A large majority (70%) believed the IMF programs did not significantly reduce the fiscal deficit, suggesting insufficient or ineffective fiscal adjustments.

TABLE 9: CONTRIBUTION TO DEBT SUSTAINABILITY

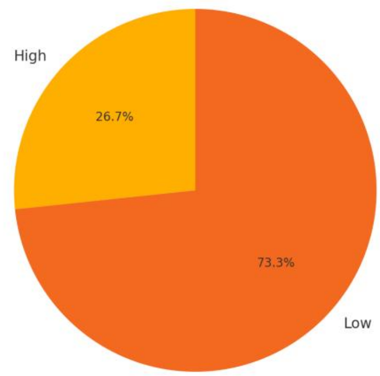
Contribution to Debt Sustainability	Frequency	Percentage
Yes	60	40.0%
No	90	60.0%



Discussion: 60% of the sample reported that IMF engagement did not contribute to long-term debt sustainability, hinting at increased debt burdens post-program.

TABLE 10: PUBLIC CONFIDENCE IN IMF PROGRAMS

Public Confidence in IMF Programs	Frequency	Percentage
High	40	26.7%
Low	110	73.3%



Discussion: Only 26.7% believed there is high public confidence in IMF programs, indicating a credibility gap between technical reforms and public trust.

1. DESCRIPTIVE STATISTICS

Descriptive statistics (i.e. frequencies and percentages) provided a summary of the responses that participants provided on each survey item. Descriptive statistics was the summary method used to develop trends in response rates, details of levels of agreement and understand how experts perceive the effectiveness of the IMF intervention.

2. VISUALIZATION OF DATA

To communicate the observations clearly and intuitively, the data are represented visually by tabulation and pie charts. These pie charts represent the relative proportions of responses related to key variables included in the dataset such as:

- Perceived effectiveness of IMF programs aimed at stabilizing the economy
- Opinions on whether the IMF supported sustainable reform of the economy
- Opinion on whether IMF programs promote or restrict financial independence
- Expert assessments or views on the impact of IMF conditionalities on the long-term sustainability of any achieved benefits.

3. HYPOTHESES TESTING

The two hypotheses developed for the research were tested using correlation and cross tabulation analyses to examine the relationships between involvement in IMF programs and perceived macroeconomic consequences. The statistical data are deduced, ultimately to either verify or refute reasonable assumptions based on expert views.

4. KEY THEMES IDENTIFIED

From the dataset some recurrent themes emerged:

- A large proportion felt that IMF programs can stabilize short term outcomes.
- Several experts worried that continued or longer term dependence on loans/financing create an erosion of economic sovereignty, and that non-inclusive reform or growth oriented reforms did not happen.
- It is unclear whether or not IMF-conditions addressed the structural economic problems faced by Pakistan, or only temporarily alleviated the problems.

This organized and statistically sound analysis provided an important source of information on how economists in Pakistan perceive the impact of IMF interventions.

FINDINGS

Based on the analysis of 150 economist responses, these key findings emerged:

1. **Short Term Stabilization Acknowledged:** Most respondents believed that IMF programs provided an emergency source of funding in the form of short term stabilization of rates of inflation, an exchange rate, and foreign reserves.
2. **Concern over Long Term Sustainability:** Many respondents pointed to a lack of long-term effectiveness of IMF reforms, multiple loan cycles increasing indebtedness, the burden of ongoing debt servicing, an apparent inability to implement improvements to the structure of the economy, etc.
3. **Perceived loss of Economic Sovereignty:** A majority of experts considered IMF conditionality as restrictions to independence of Pakistan economic policy; specifically, on issues like subsidies, taxation, and public spending.
4. **Limited Focus Inclusive of Growth:** Respondents noted that the IMF backed reform policies do not normally discuss social development, employment and poverty alleviation, as a result, the public is least empowered and unsatisfied.

5. **Mixed Confidence in Future Impact:** While there are some economists who thought that IMF support is needed to restore and maintain investor confidence in the economy, other survey respondents expressed concerns that the longer run risk of dependency on IMF support could outweigh possible benefits, especially if the policy action remains less than meaningful.

CONCLUSIONS

This investigation has reached the mixed conclusion that IMF programs have not achieved an impact on Pakistan macroeconomic stability. Short term intentions of curbing inflation and stabilizing the foreign reserves depicted some improvement, but the long term objectives of sustainable economic development and fiscal independence have not been achieved. The study suggests fundamental issues of confidence of major economic actors about IMF reforms concerning structural viability and social inclusiveness. Moreover, continuing dependence on IMF programs raised key questions about economic sovereignty and corresponding national ownership of development policies.

RECOMMENDATIONS

The study makes the following recommendations based on its findings.

1. **Adopt a Balanced Reform Strategy:** Pakistan needs to combine the IMF supported reforms with homegrown policy solutions and have it be a national priority, being

mindful of the available institutional capacity and the well-being of the people of Pakistan.

2. **Strengthen Fiscal Discipline Tax Reforms:** There needs to be improvement in domestic revenue mobilization, reduction in the use of external debt, and efficiency in public spending.
3. **Enhance Transparency in IMF Agreements:** Policymakers should instantiate increased parliamentary oversight and public discourse on IMF deals to better instill the principles of accountability, which will encourage the development of autonomy and trust.
4. **Invest in Inclusive and Human Centric Growth:** Economic programs should provide for social safety nets, education, health care and jobs in terms of activities that stabilize and do so in an equitable and sustainable manner.
5. **Minimize Long Term Dependence:** Pakistan needs to earn their graduate status in the IMF sense, primarily through improved economic fundamentals, strengthening exports, and building banks.

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