

**THE MACROECONOMIC PERFORMANCE OF PAKISTAN UNDER IMF:
EMPIRICAL EVIDENCE**

By

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ABSTRACT

This study aims to provide the empirical evidence of effects of International Monetary Fund (IMF) programs on Pakistan's macroeconomic performance during 1971-2016 for which time-series for key variables including GDP growth, inflation rate, unemployment rate and current account balance have been assembled. We employ an Autoregressive Distributed lag Model (ARDL) model to test this impact. Our results show that over the overall period IMF Programs have had a positive impact on current account balance but a negative impact on inflation and unemployment rate. However, there is negative impact on GDP growth but it is not statistically significant.

In addition to the overall exercise we have analyzed in detail the two recent IMF Programs in chapter 7. Our comparison shows that Pakistan suffers from serious structural imbalances and while IMF programs provide short-term relief in terms of restoring macroeconomic equilibrium they have failed to put the economy on a sustainable growth path.

Key words: International Monetary Fund, Stabilization policy, Growth, Inflation, Unemployment, Current Account Balance, ARDL model