Abstract

Structural adjustment programme is a phenomenon by which World Bank and IMF try to improve economy of third world courtiers. Through SAP conditional loans have been given to the countries along with certain reforms to be implemented for improvement of their economies. The focus of SAP is to improve balance of payment, cut inflation, reduce budget deficit and insure increased economic growth. No doubt SAP has productive and positive connotation. But practically it brings forth different kinds of results in different countries. In developing countries who suffer with multifarious problems, difficulties and crises, SAP has become non productive, a burden and crises generating phenomenon. On long term it may reap good results but in short term range it creates difficulties. Failure in debt servicing, delayed payments, imbalance in import export and poor system of revenue and taxation and fluctuating growth rate brought Pakistan to brink of failed state. So the government has no option otherwise but to accept SAP. The application of SAP in Pakistan reflected positive results in some areas but in other negative effects have been visible. In this thesis eight variables i.e. GDP, per capita income, consumer price index, imports exports trade deficits and budget deficit have been taken to evaluate SAP. The impartial analysis has revealed that in five indicators response is discouragingly negative. Economy is facing severe set back due to certain wrong adhoc and rapid policies of governments. Down sizing and then right sizing created panic conditions among employees. Increase in utility bills and reforms of taxation system were not accepted by masses because they were not made aware of SAP. MNCs were allowed to invest in items of food and drinks which did not pave a way towards growth. No doubt SAP is effective strategy to baptize over economy and redirected for national interest. Government will have set to priority and work accordingly. The concerted efforts will definitely entail productive economy.