

IMF Programs affect productivity and growth.

IMF programs significantly affect productivity and growth of borrowing country. They exert the negative influence on productivity and economic growth under certain circumstances.

While these programs aim to stabilize economy and promote long term growth, they ^{often} require austerity measures that hinder short term economic activities. Some of the austerity

measures, like increasing regressive taxes have a well-documented history of under-

mining the rights. For example, the government of Pakistan is planning to raise the

General Sale Tax (GST) rate by 1 percent

- From 18% to 19% - as well as increasing the Personal Income Tax (PIT) rate to 40 percent in the upcoming 2024-25 budget. (Propakistani.Pk, GST, 2024).

Additionally, IMF programs demand of tight monetary policy which suggests the increase of interest rate. For instance, Pakistan increased the ~~is~~ interest rate from 9.75% (Dec 2021) to 15% (Oct 2022) on IMF demand.

(Negative impact of IMF, Hkaria, 2022).

In a nutshell, the IMF programs damage market confidence and have negative effect on productivity and growth.

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IMF Promoting Pro-west policies.

The IMF endorsing policies that promote western agendas. The IMF promotes pro-western policies, particularly the economic ideologies and interest of western countries. The conditions attached to IMF loans, like privatization of state owned Enterprises (SOEs), is aligned with western economic ideologies. These policies increase the foreign influence in borrowing country's economy. As an illustration, Pakistan privatize 172 SOEs between 1991 to 2015 on IMF demand, (thetricontinental.org, How IMF Squeezing Pak, 2023) Moreover, liberalisation of trade is also the main focus of IMF policies. For instance, The IMF advised Pakistan liberalise imports by more than 50% Pc in the second half of fy 2024 (Govt gets room to ..., Shahid Iqbal, 2024). In conclusion, the IMF promotes the western policies on the name of macroeconomic and financial stability.

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