



# IMF Influence: A Diagnosis of Pakistan's Economic Dependency and the Role of Chartered Management Accountants

## Firm:

A **firm** is a single, self-contained business entity that produces and sells goods and services with the aim of generating revenue and making a profit.

## Industry:

A group of **firms** operating within same economic sphere is called industry.

## Sector:

A group of **industries** with similar characteristics is known as a **sector**.

## Economy:

A group of sectors engaged in the production of GDP/productivity is known as **economy**.

## Kinds of Economy:

1. Developed-Economy.
2. Under-developed-Economy.

### 1. Developed-Economy (Formal-Economy):

Foreign Reserves – Foreign Expenditures = Surplus-Forex-Reserves

### Characteristics of Developed Economy:

- A. Mature
- B. Predictable and export-based
- C. Knowledge-based
- D. Surplus Forex reserves
- E. Sustainable-resilient GDP
- F. Ruling in nature
- G. Documented
- H. Based on directed taxes. . .

- I. The rich are taxed at higher rate and the poor at lower rate. . .
- J. Tax system is transparent. . .
- K. Influential
- L. Export Finished-goods etc.

### 2. Under-developed-Economy (Informal-Economy).

Foreign Expenditures – Foreign Reserves = **Deficit-Forex-Reserves**

### Characteristics of Under-developed Economy:

- A. Immature
- B. Unpredictable-import based
- C. Traditional
- D. Deficit Forex-reserves
- E. Irrational-risky GDP
- F. Little Influence
- G. Undocumented.
- H. Based on indirect taxes.
- I. The poor and the rich are taxed at same rate.
- J. 'Hit and Trial' Tax System
- K. Subordinate in nature
- L. Export raw material and raw human resource etc.

**Besides having all required natural resources, a constitutionally independent Pakistan is severely-economically dependent on world map since 1947.**



**Abrar Hussain, ACMA**

**More than Seventy-Six (76) years has elapsed, alas! A massive number of 23 programs clearly shows that Pakistan is obsessive to the Fund's hard love with strict conditions. An Urdu poet express this trajectory as:**

قافلے دلدلوں میں جا ٹھہرے، رہنما پھر بھی رہنما ٹھہرے

### Where to Get Help:

Allah (SWT) says in the Holy Quran:

*"Then do they not reflect upon the facts narrated by Quran? Or are there locks upon their hearts?" [Surah Muhammad, Ayat 24].*

In this Ayat Allah (SWT) demands the leadership to use granted Perception, and cognitive processes of comprehension to get-rid of IMF.

*"This is straight path. So, follow it, and do not follow the other ways, lest they make you diverge from His way" [Surah Al-Anam, Ayat 153].*

This Ayat emphasis on research and critical thinking rather than following cultural rites and traditions i.e. availing tight financial facilities (Credit Lines) with hefty markup/claimed reforms and stay in comfort-zone.

*"It is Allah who created the seven heavens and likewise for the earth. His command descends throughout them, all is being stated that so you may know that Allah has power over all things. He is Most Capable of everything and that Allah certainly incorporates all things in His knowledge" [Surah At-Talaq, Ayat 12].*

The Quran encourages us to gain knowledge and scientific discovery through travel and observation and become honorable nation on the global map!

'Chartered Management Accountant' is the economy's **physician**. Doctoring the 'Wrong Costing' and

'Mismanagement', in economy, are its core areas of specialization. Over/under Costing and mal-management are cultural symptoms of any IMF-clawed economy. Same is case of Pakistan since independence. Private and Public sectors, to get resolved their economic issues, must take on board 'Chartered Management Accountant'.

'Institute of Cost and Management Accountants of Pakistan' is the authorized physician, under act of parliament, to provide '**OPD**' services to IMF-tortured economy. **Its paramedical staff (CMAs) are highly trained and equipped with all modern tools and techniques to cope with chronic germs of mismanagement and wrong costing.** Just there is need to consult **CMAs' Clinic**, economy will be leading in world!

The universal legislator, Sir Iqbal (R.A) gives following insights to CMAs to have robust Pakistan on 'Global Map':

خودی کے زور سے دنیا پہ چھا جا  
مقام رنگ و بو کا راز پا جا  
برنگ بحر ساحل آشنا رہ  
کف ساحل سے دامن کھینچتا جا

**About the Author:** The writer is a Chartered Management Accountant and an Associate member of ICMA, as well as a member of the Pakistan Institute of Public Finance Accountants (PIPFA). With over fourteen (14) years of diversified-industrial experience at the professional level, he has worked in Beverage (Pepsi-Cola), Weaving, and Spinning industries. Additionally, he is actively involved in stewarding and promoting his own agriculture farm.

