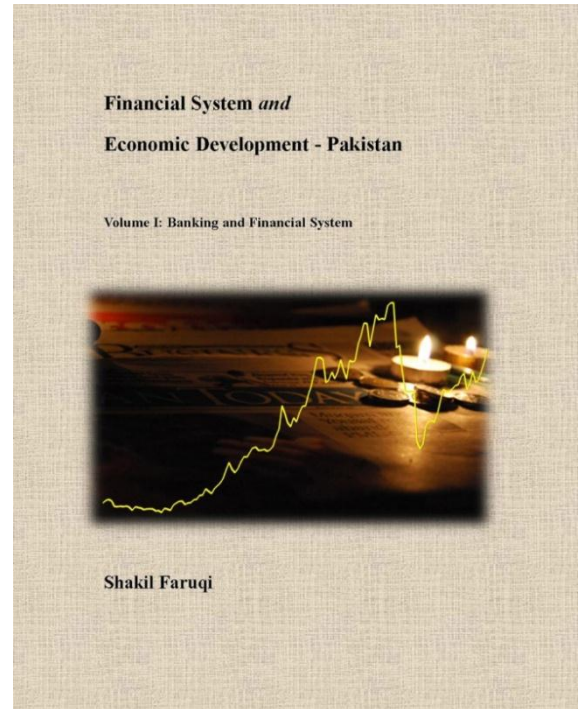


# Financial System and Economic Development – Pakistan

Dr Shakil Faruqi

## A text book in two volumes published by Lahore School of Economics, 2012

This applied study in two volumes has been published for graduate level studies in banking, financial system and financial markets. It may also be helpful to professionals engaged in banking and financial markets or some niche of fast growing financial services industry in Pakistan. The primary objective of this text book is to enhance *learning* of what a financial system is, how it operates; how its operations impact the economy; and how this performance in Pakistan compares with those of comparator countries. In parallel, how operations of financial system affects well being of various segments of society, though social dimensions of impact are not a part of analytical framework of financial system.

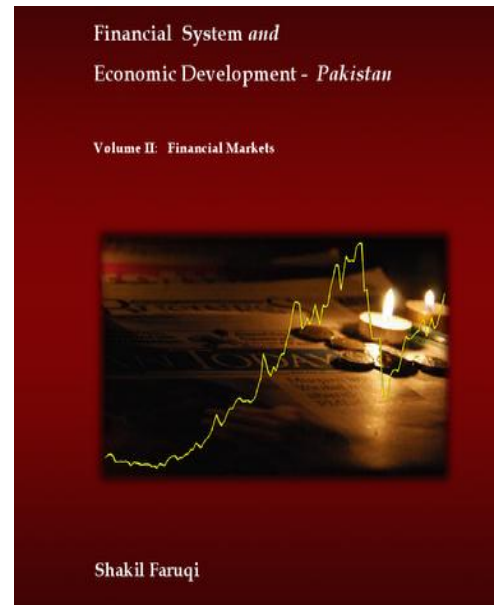


### Volume I: Banking and Financial system

The topics explored in **Volume I, *Banking and Financial System*** concern: what is financial system; what is its structure and how it has evolved in Pakistan; what is macrofinancial analysis and how it is deployed; what is the structure and trends of financial savings given the structure of rates of returns on PLS and interest based deposits; what is credit system and how it evolved; what has been the performance of banking system credit; how banking system has dealt with financing of priority sectors like SMEs, agriculture, housing and exports; how Islamic banking has evolved and how it operates; what are its dimensions and issues concerned; how banking supervision and regulatory system has evolved and how it has impacted operations of banking system; what is the role of the central bank, SBP; and finally how financial system has been managed in the post-reform era to maintain its stability; what is its interface with management of the economy of Pakistan.

## Volume II: Financial Markets

The line of inquiry pursued in **Volume II** is as follows. Almost everyone would like to seek answers to the following if they are dabbling in securities markets. What are securities markets in generic terms, and in Pakistan? What is their structure in Pakistan as it prevails now and what are their dimensions? How securities markets operate in real world setting; what securities markets accomplish through their operations; how these operations impact on various segments of economy? What is financial regime; how it regulates market operations? How significant are these market operations and how good has been the performance thus far in whatever these markets do? What is the prognosis of securities markets and how it can be improved? Finally, how securities market compare with those in comparator countries.



For E-Book: <http://121.52.153.178:8080/xmlui/handle/123456789/14055>

### About the Author



Dr Shakil Faruqi completed his MA (Econ) from Punjab University in 1962 with distinction and taught there for a few years. Later on he proceeded to the US and completed MA (Econ) from University of Pennsylvania and taught at Wilkes College. He completed PhD (Econ) from Rutgers University in 1972, and joined the World Bank the same year. During his long career with World Bank, he worked in many countries including Mexico, Greece, Cyprus, Turkey, Iran, Nigeria, and several East

Asian countries. During 1991-95, he led training programs in banking and finance in Russia and Central Asian countries. He also conducted senior policy seminars for Latin American and East Asian Countries on their experiences with financial system reforms. He was editor of proceedings of these seminars published by EDI/World Bank. He retired from the World Bank in 1997 and worked for couple of years on assignments concerning Pakistan. He joined State Bank of Pakistan as Advisor to Governor (2000-02) where he designed and led training of SBP officers and Change Management programs. He also conducted a program for judges of banking courts of Pakistan. He published a bilingual *Glossary on Banking and Finance, English-Urdu* in 2000. Since 2005, he has been with Lahore School of Economics as Professor of Financial System. This book reflects experiences of nearly three decades with operations of financial systems in comparative setting.