

**Financial Regulations and Economic Development: Empirical Evidences  
from Upper Middle income, lower Middle income and Low Income  
Countries**



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**Financial Regulations and Economic Development: Empirical Evidences from  
Upper Middle Income, lower Middle Income and Low Income Countries**

**By**

**Usman Naseer**

A thesis presented to Bahria University, Islamabad in partial fulfilment of the  
requirements for the degree of MS FINANCE

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## **Dedication**

I would like to dedicate this thesis to my beloved parents. Today I am at this stage of my life due to their dedication to me in every field of life.

## Abstract

Financial regulations influence financial system operations. Financial stability and instability is very much dependent on these regulations on which system works. This study investigates impact of financial regulations impact on economic growth and development. For this purpose countries are selected among therein are upper middle income, lower middle income and low income countries. Time period covers 1995-2015. Current account balance regulation is positively affecting growth process in upper middle countries, lower middle income countries and low income countries where as Inflation regulation is only positively affecting growth process in lower middle income economies.

Based on paper finding suggests some policy conclusions that can help nations to grow faster. For a prosper growth all set of countries should focus more on current account balance regulation since it's the most significant regulation that that positively effects growth process. Secondly inflation regulations should be the focus area for countries from lower middle income. These countries if focus more on inflation regulation they can progress more in economic development and growth.

**Keywords :** Financial Regulations, Economic Development, Upper Middle income, lower Middle income and Low Income Countries