

Pakistan's informal economy: A way forward.

Pakistan being world's fifth largest country by population, facing several challenges. Despite its portentous geo-strategic locations, it has not maintained its ^{economic} position at the ^{balanced} pace. Not only does it has challenges ^{risen} related due to its biggest archrival bordering in the east but also it has been facing significant internal challenges since its inception. Informal economy is one of those major challenges. ~~Moreover,~~ ^{Moreover,} informal economy is an unprecedented challenge that has created economic scarcity in the country. However, this is not such a problem, which cannot be addressed. ① ~~Government~~ ^{Government} can take various steps including; implementing strict laws countering informal economy, ② government must take steps to curb cross border informal trade, and ③ products in Pakistan must be registered, before selling and purchasing. Additionally, informal economy has been declared illegal, unethical and unlawful by the World Bank. Informal economy is such an economy in which state is kept unaware, and its beneficiaries avoid interacting with government's policies. The promoters and doers of this illegal act do not pay taxes to government. In this way, state feels economic scarcity in country which is also happening in Pakistan.

As every challenge has solutions, likewise, informal economy can also become formal with if government in Pakistan implements strict laws to come out. Implementation of strict laws would lessen this illegal act swiftly upto an extent. Government should introduce impose penalties and ~~imprisonment~~ ^{confinements} to those involved in this curse. Government not only introduce these laws but also start focusing on ~~its~~ ^{their} effective ~~implement~~ implementation. Ultimately, strictness of Government would bring some ~~change~~ positive changes in boosting country's sunk economy.

~~Secondly~~ Furthermore, registration of all products sold and ~~in~~ ^{purchased} in the country is also a major remedy to country's economic security, not only strict laws. Pakistan being an industrial and agricultural country must be aware of all products being sold ~~and~~ and purchased within the country. After knowing all such products, government should register those all and impose taxes on them. Due to lack of registering these goods, Pakistan lost \$40 million in Fiscal year 2022-23, according to economic survey of Pakistan. Therefore, registering all such products would definitely save country's economic loss. Similarly, not only registering products ~~but~~ but also government should take

steps to tackle cross border informal trade. Cross border illegal trade also leads to economic security in the country. It has been observed since last couple of years that people are involved in trade illegally on the borders. IMF has also directed country to regulate this trade, and make it possible under ~~state~~ government's involvement. Government should take on board ~~on~~ smuggling and ensure free trade in the country. State should facilitate its ~~networks~~ ^{natives to do trade.} In a nut shell, cross border illegal trade is weakening country's economy it must be stopped to happen further.

Conclusively, informal economy is responsible for to die-down country's economic growth. All the above mentioned steps can eradicate this growing curse. However, this is a major issue for country until it is not being addressed. So Pakistan is rich in resources, and also getting benefits, but if these resources are kept on mismanaged ~~then~~ ^{in form} of informal economy, then country will face further setbacks as well.