

Date

Test - 4

Pak-Affair

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(001)

Question no 1

Answer

The economy of Pakistan is fluctuating from past five decades there are several reasons behind this, including lack of skill development and education. Pakistan has potential to grow sustainable economy with the help of effective policies and reforms that can improve the education system and skill development of Pakistan. Education reforms like educating the masses with new curricula and practical skills that can be beneficial for Pakistan to grow a sustainable economy. Pakistan's unemployment rate is increasing day to day. The unemployment rate in 2023 was 8.5 percent, a notable increase from the 6.2 percent rate recorded in 2021. Source IMF. This increase in unemployment is due to the lack of education and skills of masses, Pakistan can grow sustainable economy and overcome these challenges by reforming its education system and development of skills in masses.

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Challenges to economy of Pakistan

a) Balance of Payment Crisis

Pakistan is facing balance of payment crisis from several year. Basically balance of payment crisis is caused when country is unable pay for its basic imports. The reason of balance of payment crisis is not able to provide the basic needs of the country and to fulfill the need of country they have to import goods which cause pressure on the economy.

b) Debt crisis ; increasing debt

Debt crisis occur when the country is not able to pay its loan. Pakistan is under the crisis of BOP crisis and for paying the imports Pakistan has taken loan and with the passage of time these loans were unable to return and this cause another burden on economy of Pakistan.

c) less exports and more Imports

Pakistani industries are not able to fulfill the require amount of goods to Pakistan. There are several reasons behind this including the higher production cost and energy crisis that are being faced

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by Pakistan and to fill the needs of Pakistan's Government needs to import the basic necessities for Pakistan which become the reason of unstable economy of Pakistan.

d) Low tax collection

Pakistan's tax collection is lesser while the expenditure is higher which causes the instability in the economy of the country. According to the world bank "Pakistan's tax administration is inefficient". There are also several reasons that and loop holes that causes low tax collection in Pakistan.

e) Lack of Investment

Pakistan's economy is fluctuating due to the political instability and this political disputes among government and opposition cause the investors to back off from investing in Pakistan. Local as well as foreign investors want to get assurance of security and of money and physical security which unfortunately Pakistan is unable to provide them which cause the pressure on economy.

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* Role of Education in growth of Pakistan

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- Increase in u Education

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- Raise of Productivity

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* Role of Education in fostering Economic growth of Pakistan

The Education is a key to success for every nation. There are multiple examples from the history of world that are grown with the help of education. Unfortunately Pakistan's economy is not stable due to multiple reasons including the lack of education among the masses. The education can help developing sustainable economy by the reasons roles given below:

- Increase in unemployment rate

Education can help in increasing the unemployment rate of Pakistan. Due to the lack of education, Pakistanis are unable to find the jobs due to less education. The illiteracy rate of Pakistan in year 2019 was around 58 percent. This is one of the biggest reason for fluctuating unemployment and economy.

- Raise of Productivity

Productivity in industrial and agriculture sectors can be increased using the education. As education will introduce new means and methods

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increasing the productivity.

- Increase in Entrepreneurships

Education produces new ideas and methods to earn money, new ways of business will get generate through educating people and it will further helps in stabilizing economy of the country.

- Human Development

Educating the people will help in developing the society. and developed Society will further plays its role in developing the economy of the country. It will also reduces the crime from the society.

* Skills development in fostering Economy

Education as well as Skill development plays crucial role in developing the economy of the country. Any type of Skill that can be taught to a common man will help in increasing the economy.

Skills will help individual for running his/her home and further it contribute in economy. Skills workers today are the need of every developed and

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under develop countries. Canada, Australia and England are getting shortage of skill workers and Pakistan can take it as a opportunity to develop its economy. When Pakistan's national citizen work in foreign countries, they used to send remittance to their families which increase the dollar reserves and it will further leads to powerful PKR and stable economy.

Policies to improve the workforce

- Skill development Programs

Government need to provide skill development program for common people of the country. This will help in development of economy and it will also be beneficial for individuals in running their homes.

These programs should be introduced at all level to improve the efficiency of work force of the Pakistan.

- Promoting Entrepreneurship

Promotion of entrepreneurs will help them to provide their role in developing countries economy. Providing the financial aid to their projects will encourage

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others to work on different ideas that can generate funds.

- fostering Collaboration between Industries and Educational institutes.

The collaboration between industries and educational institute will help out government to increase the skills of the workforce and the efficiency of the workforce can be increased using the collaboration between industries and educational institutes. This will help individual to get experience before coming into job market and also help them out to meet the demand of the job market.

* Unemployment Challenges

Unemployment rates of Pakistan is increasing day to day. In 2023 according to IMF, Pakistan's unemployment rate is was 8.5 percent while in 2019 it was 6.42 percent, The huge amount of unemployment is there in Pakistan. This can lead into further problems like social unrest, frustration and the frustrating individual further leads to illegal activity or joining extremist groups.

Unemployment further leads to economic slow down, reducing consumer spending

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↳ Limit tax revenues, and hindering overall productivity.

Conclusion

The economy of Pakistan is not in a stable condition from long period of time however this can be improved using the workforce efficiency and educational reforms which will educate individuals & and it will further help in improving the economy of Pakistan. Pakistan is facing heavy unemployment rate which further caused the crimes and slow economic growth. However all these problem can be resolved using the educational reforms and providing the skill development programs in educational institute.