

Q.4

Ans

## Introduction

Since its inception, Pakistan has been facing economic problems. Historically, every successive governments have prioritized economic revival due to nation's recurrent challenges such as low growth rate, rising inflation, high unemployment and fiscal deficits. Historical analysis shows that Pakistan's economy has heavily relied on on a few key sector with majority of the revenue generated from agriculture and limited industrial exports. However, structural imbalances such as underdeveloped tax system, inefficiencies in industrial production, inadequate IT infrastructure and energy shortages have hindered sustainable growth. To compete with global economy and ensure economic stability, Pakistan must focus on structural reforms across critical sectors including industry, agriculture, IT, power and tax system. These reforms aim to address deep-rooted inefficiencies,

Foster resilience, and create a more balanced economy that can withstand both domestic and international pressures. Given below is an elaboration of why reforms in each of these areas are essential for Pakistan's economic turnaround.

### Reforms in Industry.

Pakistan's industrial sector requires diversification to reduce dependency on few industry like textile and expand into area with higher value-addition potential. Pakistan needs structural reforms to modernize its outdated industrial infrastructure which is vital to improving productivity and add value to goods. Moreover, reforms are also required for both foreign and domestic investment through improved ease of business and reduced bureaucratic barriers can lead to technological advancement and fostering overall economic stability.

## Reforms in Agriculture.

Agriculture is considered "backbone" of Pakistan's economy. It also requires reforms to address issues such as water scarcity, inefficient land use and low crop yields. Sustainable practices and innovation like climate-resilient crop and precision farming can increase productivity while protecting resources. In addition to it, there is a dire need to improve entire agricultural value chain from production to processing and marketing. This will ensure better returns for farmers, reduce post-harvest losses and promote exports of processed agricultural products rather than raw goods. Consequently, exports will be increased contributing to stabilizing of the economy.

## Reforms in Information Technology.

Pakistan should introduce reforms to embrace digital transformation. This can bridge gaps in education, health, and service delivery. In order to be a viable

contends in the global IT services market, Pakistan needs to expand internet access especially in rural areas, Pakistan should also strengthen IT infrastructure and incentivize IT based entrepreneurship. Resultantly, ~~so~~ it will boost software exports, foster innovation and create high-value jobs that attract global attention to Pakistan.

## Reforms in Power Sector.

To continue economic activities going stable, a cost-effective is critical. Pakistan should introduce reforms which address issues such as circular debt, high transmission losses and transition to renewable energy sources which can reduce production costs and environmental impact. Furthermore, Pakistan ought to simplify regulatory processes and attract ~~ing~~ private investment in order to have a better-managed power generation and distribution.

# Reforms in Tax System.

Pakistan's narrow tax base hampers its ability to fund development projects and social services adequately. Therefore Pakistan needs to widen the tax net to include more sectors and reduce the informal economy. Both are essential for stable revenue generation. Not only this, reforms are also needed in tax administration to increase transparency, reduce corruption, and enhance tax compliance. A robust, fair tax system is needed which facilitate wealth redistribution and fund essential public services which are vital for sustainable economic growth.

## Conclusion.

In a nutshell, Pakistan can achieve economic resilience and unlock long-term growth potential only with well-planned and executed structural reforms across these sectors. This will lay the groundwork for equitable development and prosperity.