

Economics (Paper II)

Q.3I Introduction :

Pakistan is a rich agricultural country and grows cash crops such as wheat, rice, barley, etc., as well as, labour intensive country which focus on hand-made goods which have a large market globally. For example, hand-woven clothes, footballs etc. However, Pakistan is very much dependent on imports related to technological products, oil, highly advanced machineries, gas, etc. Therefore, for a balanced 'terms of trade' (TOT) Pakistan needs to control on its imports and focus on its export market as well. Also, due to China's investment in the CPEC project, Pakistan can work on its industries and agricultural area which is the motive of China to enhance trade terms with China.

II Tendencies of Imports and Exports of Pakistan :

Pakistan imports majorly the technological machineries, oil and gas, etc. and exports

its hand-made products and agricultural products to the international market.

Imports of Pakistan:

1. Pakistan imports oil from Middle-Eastern countries ^{and gas,} as the economy of Pakistan is largely dependent on the oil consumption for industries, transportation, energy production. Import of petroleum alone is 9.8 million tonnes in Pakistan (Economic Survey of Pakistan, FY 2023-2024).

2. However, Pakistan is a major importer of technological machineries or products. For example, automobiles are imported or the parts are imported, only assembly takes place in Pakistan.

3. Also, Pakistan imports wheat and rice to fulfil the needs of the growing population. The population growth rate is 2.55% in fiscal Year of 2023-2024 (Economic survey of Pakistan, 2023-2024)

Exports of Pakistan:

1. Pakistan mainly exports the wheat, maize, rice, ^{barley,} and cotton to other countries.

2. Hand made goods such as footballs,

Pakistan is a major exporter of footballs because of its labor intensive nature. Hand made clothes such as handembroidaries etc. traditional works are in demand.

III Enhancing Terms of Trade (TOT) of Pakistan with China:

Pakistan is the neighbour of China and shares strong relations of friendship. China is a major investor and supporter of Pakistan, especially because of the China's BRI project. CPEC is the one leg of BRI (Belt and Road initiative); investment of China in the industrial zones of Pakistan, making of SEZs (special economic zones), in agriculture and infrastructure could enhance the "terms of trade".

1- Focusing more on the Agricultural Sector:

Because of the rising demand of agricultural goods in both countries, Pakistan and China, Pakistan by focusing more on the agricultural policies, high yielding seeds, better use of fertilizers, etc. can enhance the agricultural area of Pakistan with the rise in yields. By better irrigation techniques,

equipments, Pakistan needs to increase its production because this is the future market of China. As China wants to fulfil its agricultural demand of the population by investing in different countries in which Pakistan is also a part. Therefore, Pakistan should take it as an opportunity.

2. Improving the efficiency and effectiveness of the Industries of Pakistan for combating import bills: China is setting special industrialized zones (SEZs) in Pakistan for the industrial growth. By improving the efficiency, Pakistan can gain from exporting more industrialized goods such as from Textile industries because raw material for the textile industry is abundantly present in Pakistan. Faisalabad is hub of textile industries and China has set SEZs in Faisalabad as well.

3. Increase Production of Allied goods:

Allied goods are the goods other than agricultural goods such as milk (dairy), fisheries, livestock, etc. This rise would firstly be able to overcome the ^{imports of these goods} population demand can be fulfilled at home rather than paying import bills.

4. Development of infrastructure.

As China is investing in Pakistan over the development of infrastructure, Pakistan can gain benefit from it as by better infrastructure less wastage of resources will lead to more productivity. Also, with the CPEC development, Pakistan would become the transit corridor and China would be able to have better trade with other countries, this will give benefit to Pakistan as well.

5. Exploitation of Pakistan's own energy Resources with help of Chinese technology will reduce the burden of imports from other countries.

IV Implications of enhanced TOI ^{of Pakistan} with China:

All of these factors would combine to create better terms of trade with China. As by focusing on the areas where China is interested will not only help China but help Pakistan too in Economic growth and development.

V Conclusion:

Pakistan can improve its terms of trade and can come out trade deficit

if implement its policies and reforms in a better way and manage resources efficiently. By focusing on the agricultural and industrial zones, Pakistan can not only attract China but also can come out of budget deficits due to high import bills of the products that can be made domestically.

Q4-I Introduction:

By keeping socio-economic-political perspectives in view and by formulating strategic frameworks in a way that all the instabilities are balanced out, Pakistan can achieve sustainable development goals (SDGs) by 2030. It requires a lot of effort of the government to stabilize the political differences, by creating awareness, improving facilities of health and education for the goals achievement. Government should implement short-term, medium-term and long-term goals for achieving targets till 2030.

II Economic goals of Pakistan for achieving targets:

1- GDP growth Rate:

Pakistan should enhance the business confidence and ease the supply chains for better imported inputs so the quality of the products rise according to the market. In fiscal year, Pakistan GDP has increased by 2.38% with strong growth in agricultural sector (Economic survey of Pakistan FY 2023-2024). 7th SDG goal ^{to increase economic growth.}

2 Decreasing the inflation rates:

Prices should be controlled by either putting price floors or restrictions on imports or by increasing the interest rates.

High inflation leads to hunger crises which in the SDGs goals is the second goal of 'Zero Hunger'. However, in FY 2025, inflation is expected to decrease to 11.1% (World Bank Report, 2024).

3 Increase in agricultural and industrial developments:

The rise in agricultural and industrial areas will make Pakistan more self-sufficient, more sustainable growth, 11th goal of SDG. Import bills will be controlled. According to FY 2024, economic

survey, agriculture has rise in 6.38%. This creates employment opportunities as well as increase the standards of living of people.

III Political goals of Pakistan for achieving targets:

By implementing and designing better strategies with proper vision and mission statements, Pakistan's political goals could be achieved. Political instability needs to be solved for better unity and cohesion while decision making. Better land reforms and other policies should be designed as 'Export Led Growth' initiatives, to improve situation of Pakistan and to gain success in the long term.

IV Social goals of Pakistan for achieving targets:

1. Increasing literacy rates or Education levels:

By creating more awareness, more institutions, provision of security, more enrollment, quality of education to

be improved. As the literacy rate is low, around 60%. Quality education is 4th SDG goal. With the initiatives like Zewan-e-Taleem, Benazir Income Support Program (BISP), etc. Pakistan can increase the levels of education.

2- Increasing Healthcare facilities.

Pakistan faces challenges in providing universal access to quality healthcare especially in rural areas. Pakistan needs to work on its healthcare

infrastructure, better sanitation systems, clean environment, all these are the goals of SDGs.

3- Reducing the Poverty rates:

According to World Bank (FY 2024) report, 40% of poverty will be observed in the FY 2025. Therefore, Pakistan needs to work significantly on reducing poverty by initiatives like Benazir Income Support Program (BISP) and Ehsaas Programme.

By implementing the strategic framework as designed, Pakistan would be able

to combat various issues Pakistan facing and would be able to fulfil the long term vision of attaining SDGs goals till 2030.

V Conclusion:

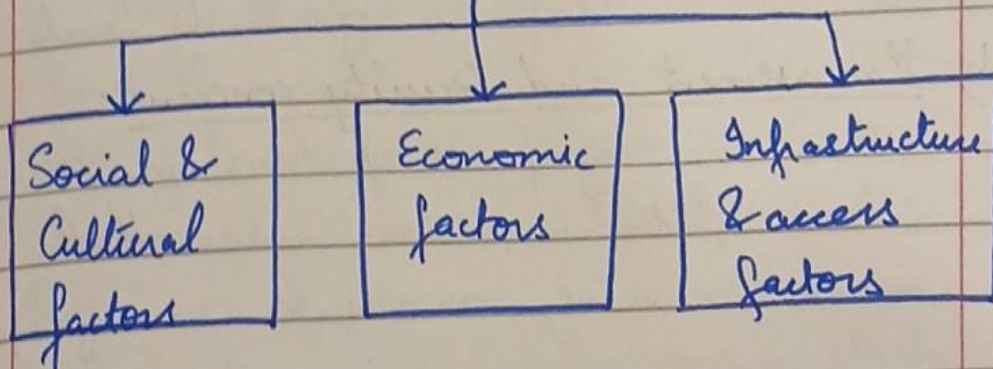
Pakistan by keeping social, political and economic perspectives such as poverty, health care, education, political instability, inflation, agricultural and industrial development issues in their decision making and strategic planning would be able to gain success in the ~~see~~ attainment of SDGs goals. Therefore, it is important that these strategies should also be implemented not shall only remain on the paper.

Q7. I Introduction:

The ratio of female employment to male employment remains low not only in Pakistan but also globally. It is a global issue. However, Pakistan being an Islamic state of Republic and democratic country is not fulfilling or giving the proper rights

to females as stated. Due to various reasons such as male dominance, lack of security, opportunities, etc. female employment remains low in Pakistan. However, to overcome this problem Pakistan needs to design policy actions such as female quotas, percentage advantages to the firms by government, or female led initiatives etc.

(i) Reasons behind low Female Employment:



1. Social and Cultural Factors:

a) Patriarchal Society:

Pakistan faces male dominated families where males put pressures and dominates the females.

b) Cultural Restrictions:

Mobility issues to women as restricted to go to some areas due to security

problems and also there is lack of education facilities.

c) Family Responsibilities:

Women are expected to fulfil family responsibilities and males to earning responsibilities in Pakistan.

2. Economic Factors:

a) Limited job opportunities:

Job opportunities for females are limited in Pakistan and jobs such as teaching, nursing, etc. are linked to females only which reduces the opportunity levels.

b) Harassment and security concerns:

There are significant of harassment cases in Pakistan in working areas which increases the security concerns for women.

3. Infrastructure and Access Factors:

a) Transportation issues:

Women faces difficulties while going to workplaces due to limited transportation facilities and security concerns.

b) Family Support:

For women it becomes difficult in Pakistan to balance both children and

work responsibilities making difficulties for them to keep ^{themselves} employed with family

(ii) Policy actions and Reforms to increase female labour force Participation in the Economy:

1. Girls Education initiatives:

More literacy rate will bring in more pool of female candidates in the labour force.

2. Women's Economic & Empowerment Programs:

More Economic empowerment will boost the confidence levels of the women and will increase the female involvement.

3. Women's Entrepreneurship Development Program:

Supports women entrepreneurs in starting and growing their businesses.

4. Government setting female quotas for all companies (Specially State-Owned):

This will bring in confidence in women to join and apply in the major companies.

5. Advantages offered by government for companies who have certain percentage of female workers.

Despite these efforts, more needs to be done to address the underlying social, economic and infrastructure challenges that limit female employment in Pakistan.

Conclusion:

Pakistan is also one of the countries which is facing female discriminatory issues and low female employment issues (turnover rate) in the labour force of Pakistan. There are various reasons to it such as security constraints, family constraints, lack of education, infrastructure, opportunities, etc. Thus, these should be overcome with different initiatives either privately led or government led so females feel confidence in joining the labor force. As the benefit should be gained from the expertise of both genders.

Q8. Short notes on:

- i) Globalization and Economic growth and development:

Globalization:

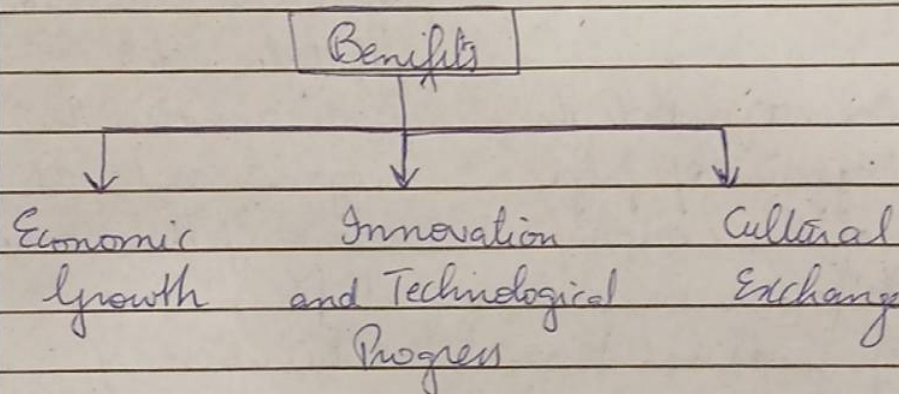
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Globalization refers to the phenomenon of increasing interconnectedness of the world's economies, societies, and cultures. It involves free trade ^{or flow} of goods, services, ideas, people across nations.

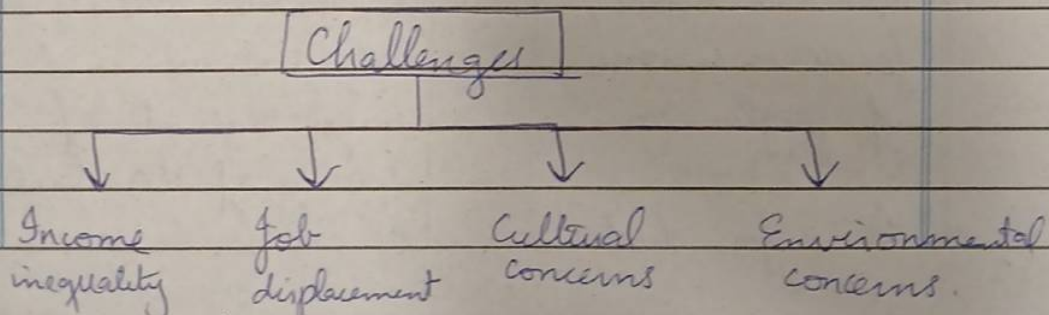
Key Features of Globalization:

1. Trade Liberalization.
2. Foreign investment
3. Increase in mobility.
4. Technological advancements.
5. Change in world order.

Benefits of Globalization:



Challenges of Globalization



Economic Growth & Development:

<u>Economic Growth</u>	<u>Economic Development</u>
1. It considers only output factors that affects the Aggregate Demand and GDP levels.	It considers all the factors affecting the standard of living or level of lifestyle of people of economy.
2. Measures includes quantitative approaches only.	Measures include quantitative as well as qualitative approaches.
3. Improves the GNP or GDP levels of the country.	Improvement of all indices like human development in terms of health, education, lifestyle, etc.
4. Doesnot include the happiness of people of the economy.	Does considers the happiness and well-being of the economy.
5. It focuses on production of goods and services.	It focuses on distribution of resources.
6. It is single-dimensional in nature, focuses on income of people.	It is multi-dimensional in nature, focuses on both income and improvement of living of standards.
7. It is for short period.	It is for long-term process.

Government:

DATE: ___/___/___

1. Indicators of economic growth are:

- GDP
- GNI
- Per capita income

Indicators of economic development are:

- HDI
- HPI
- Gini coefficient
- BOT
- GDI

(ii) Difference between Absolute advantage and Comparative Advantage:

Absolute Advantage

Comparative Advantage

1. Meanings

It refers to a country's or company's undeniable capacity to produce a certain item more efficiently.

It refers to considering of advantages and disadvantages of various products diversification options.

2. Benefit to Economics

Not mutually advantageous

Inherently mutually advantageous.

3. Originated by:

It was developed by Adam Smith

It was developed by David Ricardo

4.

Cost

The absolute cost of manufacturing products has an influence

Country's comparative advantage is influenced by the opportunity cost of manufacturing products.

5.

Compares

Country productivity is a measure of how productive a country is.

Potential profit was squandered throughout manufacturing process.