

Test # 4

(Q2)

Root causes of inflation and unemployment in Pakistan? Analyze how poor governance and policy inconsistency have contributed to these economic challenges?

(Ans).

Outline.

1. Introduction.
2. Root causes of Inflation
 - a) Low industrial output.
 - b) Heavy reliance on import.
 - c) Low export rate.
 - d) Indirect taxation.
3. Root causes of unemployment.

a). Energy crisis.

b). Low Industrialization.

c). Education and Skills gap.

4. poor Governance and Policy inconsistency contribute inflation and unemployment.

no need for a detailed outline for a 20 marks answer.

a). poor governance leads to low investment in industrial sector.

b). Policy inconsistency leads to high inflation rate.

5. Way Forward.

6. Conclusion.

(Answer to the Question)

Introduction.

Pakistan has been experiencing many challenges

Since its inception. Its economy has been declining due to high inflation rate, unemployment, energy crisis, huge brain drain which in turn due to political instability, poor governance and policy inconsistency. Pakistan's economic system can be improved by improving governance, regular policy making and by increasing export rate.

• Root causes of Inflation.

Inflation rate is very high in Pakistan currently due to energy crisis, Russia - Ukraine War, Pakistan and Afghanistan War, low productivity and heavy reliance on import.

of goods: Indirect taxation on Products may also causes spike in prices which leads to inflation rate.

• Case in Point:-

Pakistan's inflation rate is 6.24% in Oct 2025, according to Pakistan Bureau of Statistics (PBS).

discuss these in detail as well by giving multiple subheadings.....

• Root causes of unemployment :-

In Pakistan unemployment rate is very high specially among youth. There are many causes of unemployment in Pakistan including energy crisis, due to energy crisis many industries are not working which results in low

industrialization which leads to unemployment, Educational quality is not good in Pakistan, there is a huge gap between education and market demanded skills. Skill deficit may decrease employment opportunities. Pakistan needs large no. of job creation because of large population size.

• Case Study.

Overall unemployment rate in Pakistan is 5.6 - 6% according to latest official data.

- Poor Governance and policy inconsistency leads to Inflation and unemployment.

In Pakistan, weak governance and policy inconsistency may cause economic challenges, unemployment and high inflation rate. Due to weak management and political instability, people may not invest in a country due to trust deficit. Poor governance and policy inconsistency leads to weak foreign relations of Pakistan which affects trade relationship between the two countries. Low investment causes low industrialization and low productivity, so we have to rely upon more imports in order to fulfill needs. Low industrialization leads to low employment rate.

5. Way Forward.

In order to reduce unemployment rate and inflation rate Pakistani government should adopt the following strategies.

- Increase the number of industries.
- Improve research and methodologies in agricultural sector.
- Reduce reliance on imports and increase export rate.
- Government should reform policies according to the ~~life~~-~~de~~size.

add and highlight references/examples against these arguments.....

6. Conclusion.

Pakistan is, currently,

facing high inflation and unemployment rate due to poor governance and inconsistent policy making. unemployment and inflation can be reduce by increasing number of industries, ~~increase~~ export rate and reduced reliance on import of products.

(Q3)

"Energy security is the backbone of economic growth". Role of alternative and renewable energy sources in addressing Pakistan's energy challenges and achieving sustainable development.

Outline.

1). Introduction.

2). "Energy security is the backbone of economic growth."

3). Role of Renewable Energy Sources in addressing Pakistan's Energy Challenges and achieving Development.

a). Solar energy

b). Wind energy.

c). Hydro energy.

4). Conclusion.

• Introduction:

Pakistan's economy is heavily dependent upon energy sources. Because working in industries depends on energy. In Pakistan, there are many energy crisis. Pakistan gets most of its energy through fossil fuels. Which are non-renewable energy sources. Pakistan has to spend most of the amount on buying fossil fuels for running its industries. Energy can also be produced by alternative means like through Sun, Wind and Water. These are the cheaper and renewable sources of

energy.

• "Energy Security is the backbone of Economic Growth"

"Energy Security is the backbone of Economic Growth" is a famous sentence. GDP of any country heavily depends upon the use of energy sources. Pakistan mostly uses fossil fuels (coal, oil and natural gas) as an energy source. These are non-renewable. They causes air pollution and Pakistan spends most of the part of economy on buying fossil fuels. That why Pakistan's economy

has been down falling
since its inception.

• Example :-

current GDP of
Pakistan is 26% to 3%
according to world Bank of
Pakistan.

• Role of non-Renewable Sources in Addressing Economic Challenges and Development.

Non Renewable energy sources
include hydro, solar and
wind. These are the cheapest
and renewable sources of
energy. Pakistan must use
water, solar and wind

energy in order to improve Pakistan's economic rate. If Pakistan improve its energy sources, industries will increase as a result high yield of products will produce so these will be high export and low import rate. In this way Pakistan's economy will be improve.

short and incomplete answer.....

Conclusion

Pakistan's economy is heavily rely on energy security. Industries run by energy. If there will be high energy prices automatically, there will be high inflation rate. Due to energy crisis less no. of industries will work

consequently, less products will
produce. so Pakistan should
use alternative and re-
newable sources of energy.
so its economy can be
improve.

add more arguments.

a 20 marks answer should have around 15 arguments and be on 7-9 pages.