

**Question No.1****Technology plays a vital role in the economic development of a Country, Discuss in Context of Pakistan.**

At the early stage of classical economists for economic growth and development, labour was the only factor of production. Later on neo-classical economists introduce the capital as a major factor of growth and development. But, today use of modern technology is the most important item of economic growth and development.

**Meaning:**

The application of science, especially to achieve desirable industrial and commercial objectives is called technology. In other words technology refers to a technique of production that gives large and superior quality of production within a short span of time.

**Definitions:****In simple words:**

“Technology is the use of knowledge or the mechanical arts and applied sciences to business, trade, commerce and industry.”

**According to David N. Hyman:**

“Technology is the knowledge of how to produce goods and services.”

**Explanation:**

At present technology is necessary for every nation. Without technology a nation cannot get all its requirements. Technology is cause of improvement of physical and human capital.

Technology comes into a country by following ways: Inventions Innovations

**ROLE OF TECHNOLOGY IN ECONOMIC DEVELOPMENT****1. Agricultural Growth**

For a long time old seeds, traditional techniques, ploughs and waste & garbage etc. were used in agriculture. So, the productive quality and quantity was very low. But due to use of modern techniques of production, there is invention of High Yield Variety (HYV) seeds, fertilizers, threshers, tractors and harvesters, tube-wells and water pumps, insecticides, weedicides and pesticides all this result in growth and development of agriculture. Growth rate of agriculture sector is 2.0 %.

**2. Industrial Development**

In the past, life was limited of limited population. In easy life, the use of industrial goods was very low. But now in modern age, use of industrial goods is increasing day by day. Rapidly increasing population is also demanding more industrial goods. In this situation, industrial growth and development is necessary which is possible due to use of technology. Growth rate of industrial sector is 4.9 %.

**3. Increase in Employment Opportunities**

Due to use of technology, better quality and quantity of various goods can be produced. This will lead to increase in the demand for labour. Increase in the demand for labour will reduce the unemployment. Rate of unemployment is 5.5 % that is very high in Pakistan.

**4. Increase in Factor's Productivity**

Technology plays very important role in increasing the productivity of factors of production. Modern technology is helpful to increase the efficiency of labour, which results in increase in production and standard of goods. Value of annual productivity of labour in Pakistan is \$ 100.

**5. Reduction in Poverty**

Use of technology is also caused in reduction in poverty. Use of technology makes it possible to reduce in cost of production that results in fall in price level. Availability of high

standard goods at low prices increases the real income of the people and increase in the purchasing power. Technology opens the new economic sector that creates more jobs for unemployed population. All this results in reduction in poverty. 21.0 % population is living below poverty line in case of Pakistan.

6. **Time Saving**

Today, time is considered as a power and life is so busy. Lengthy and old production process is not affordable now. Technology is helpful to shorten the lengthy production process, it caused in quick yielding and rapid return. Due to technology, production quality and quantity can be improved in minim time period.

7. **Cost Minimization**

Because of modern technology, the firms are in a position to reduce the cost of production. By employing technology it is possible to use the same raw material for more output or same output by using less quantity of raw material. On the other hand, wastage of large industries can be used in small industries as a raw material, which caused in reduction in cost of production.

8. **Increase in Marginal Efficiency of Capital (MEC)**

Marginal efficiency of capital is the rate of return or profit on capital invested. With the help of technology, a firm can use the capital effectively. There is less wastage and more increase in the efficiency of labour that results in increase in the marginal efficiency of capital.

9. **Increase in Investment**

16.6 % investment of GDP is not desirable for the economic development in Pakistan. Use of technology caused to increase in profit margin of the producer. Increase in profit margin will leads to increase in flow of investment. At least 25 % investment is needed for economic growth and development.

10. **Expansion in Foreign Trade**

Use of modern techniques of production leads toward better quality and quantity of the products. In foreign trade there is stiff competition among different countries of the world. Use of technology enables a country to compete with other nations, expansion in foreign trade and to earn more foreign exchange reserves.

11. **Increase in Foreign Exchange Reserves**

Foreign exchange reserves of poor nations like Pakistan are very short. Our imports are higher than our export that causes scarcity of foreign exchange reserves. Due to technology, it is possible to produce import substitutions and exportable goods. So, technology will help a country to increase its foreign exchange reserves. Foreign exchange reserves of Pakistan are \$ 15.0 billion.

12. **Best Use of Capital**

Capital is an important factor of production. Technology is useful to use the capital in the best way. Technology can increase in production and standard of goods in minimum time period. So, the return on capital will increase due to use of technology. Profit margin of the producer also increases with the use of technology. Rate of capital formation is only 5%.

13. **Specialization**

Technology is helpful to increase the division of labour and specialization in all sectors of economy. Due to technology, division and specialization is possible which leads to inventions and innovations. Division of labour and specialization are helpful to increase in production quality and quantity.

14. **Discovery of Natural Resources**

The nature has hidden a lot of its deposits under lands, seas, mountains and in the atmosphere. It is the modern technology that enables the man to find, explore and utilize these resources. Without technology, we cannot use these resources like oil, gas, iron, coal, gold, silver, copper etc. for the betterment of mankind. Share of natural resources to GDP is less than 1 % in Pakistan.

15. **Optimal Use of Resources**

Optimal use of resources without using advanced technology is impossible. Backward country can remove its poverty through using modern techniques of production. In developing countries including Pakistan, technology is very helpful to use properly available resources to make development.

16. **Development in Infrastructure**

Technology itself is a component of infrastructure. However with its use country's infrastructure developed. Such as the use of atomic energy, use of CNG in place of petrol, use of computer, improvement of transport and communication network etc. Government has reserved an amount of Rs. 133 billion to develop the infrastructure in the country.

17. **Price Stability**

Another role of technology is price stability. Sometimes, due to shortage of production there is increase in the prices of some products. Use of technology makes it possible to produce more within limited time period that helps to maintain the price stability. Rate of inflation in Pakistan is 13.3 %.

18. **High Living Standard**

Reduction in poverty and inflation, more opportunities of employment and sufficient availability of goods and services are the symbols of high living standard. Accordingly, technology also helps to develop the living standard of a nation.

19. **Increase in Productivity**

In developing countries like Pakistan, still backward methods of production are being used. But use of technology makes it possible to increase the quality and quantity of production in short time.

20. **Better Quality of Product**

Through adopting technology, better goods can be produced in a large quantity. Technology is helpful in discovering new designs of the commodities. There is reduction in technical defects of the production due to the use of technology.

21. **Improvement in Efficiency of Labour**

Due to illiteracy and low level of training, our labour is less efficient. Technology has also improved the efficiency of labour output per hour. Due to the use of modern tools and implements, efficiency of labour increases that results in more and better output.

22. **Breakdown of Vicious Circle of Poverty**

Uses of technology encourage the saving and increase in investment. Technology improves the efficiency of labour and removes the instability in prices. Accordingly, vicious circle of poverty can be removed with the help of technology. 21.0 % population living below poverty line in Pakistan.

23. **Rapid Rate of Capital Accumulation**

Rate of capital formation is just 5 % in Pakistan, which is very low as compared to the advanced countries. Low rate of capital formation leads to poverty and unemployment. Technology is helpful to increase the capital formation rate for the economic growth and development. Rate of capital formation should be 20 % to 25 % for economic development.

24. **Economies of Large-Scale**

It is impossible to operate large-scale industries without use of technology. Use of technology helps to the producer to manage the business at large-scale. Use of technology causes to install, operate and maintain the industry at large-scale. Due to use of technology, achievement of economies of large-scale is possible.

25. **Expansion in Market Size**

In developing countries like Pakistan, market is so limited. Technology causes in more output and more supply of goods, which enlarges the market size. Technology expands not only domestic market but also foreign market.

26. **Removal to Economic Backwardness**

Poor countries can remove their economic backwardness through using technology. Technology increases the rate of growth in all sectors of an economy. More and better

products are available for population. Use of technology enhances the process of economic development and removes the economic backwardness.

27. **Development of By-Products Units**

Use of technology is helpful in establishing by-products units. By-products units refer to those, especially small industries, which use the waste of large industries as a raw material. With the use of technology, it is possible to establish the board, chipboard and hard board industry because it uses the wasted straw of sugar industry.

28. **Helpful for Research**

Technology has led to increase of huge investment in scientific research in various sectors of an economy. This scientific research can be used to develop the various sectors of economy.

29. **Inventions and Innovations**

Due to use of modern technology, there is division and specialization of labour. Specialization is the foundation for high standard of the goods that leads to inventions and innovations.

### PROBLEMS -OR- OBSTACLES IN WAY OF TECHNOLOGY IN PAKISTAN

1. **Deficiency of Capital**

Cost of advanced technology is very high. Poor countries cannot use the technology due to deficiency of capital. Domestic savings are 9.9 % of GDP and investment is 16.6 % of GDP.

2. **Illiteracy**

Due to illiteracy, our labour is less efficient and less trained. Accordingly, our labour cannot use the modern technology appropriately. In Pakistan, literacy rate is 57 %. On the other hand expenditure on education sector is 2.0 % of GDP.

3. **Traditionalist Society**

People are backward in developing countries like Pakistan. They are passing subsistence life and they do not want to use modern techniques of production.

4. **Import of Technology**

Import of technology itself is a big problem. In developing countries, there is shortage of foreign exchange to import the technology.

5. **Adverse Balance of Payment**

Import of technology causes more increase in imports of the poor countries. It creates more gaps between the imports and exports. It results in deficit in balance of payment. At present, deficit in balance of payment is \$ 10.945 billion.

6. **Limited Home Market**

The markets are limited in their size in developing countries like Pakistan, while the advanced technologies are concerned with the industries of large-scale.

7. **Lack of Natural Resources**

In Pakistan, natural resources are available. But these resources are remained un-used, ill-used and mis-used. That feels no need for advanced technology. Natural resources contribute to GDP less than 1 % in Pakistan.

8. **Backward Social Set-up**

The orthodox and backward social set-up is also an obstacle in the way of use of modern technologies. People are not ready to use modern instruments and thinking.

9. **Lack of Foreign Exchange Reserves**

Foreign exchange reserves are necessary to import the modern technology but Pakistan has shortage of foreign exchanges reserves. Foreign exchange reserves of Pakistan are \$ 15.0 billion.

10. **Backward Economic System**

Most of the developing countries are using the backward economic systems, which are also a hurdle in way of economic development. Implementation of Islamic economic system is required for economic growth and development.

11. **Monopoly of Developed Countries**

Advanced technology is under the influence of advanced countries. They charge higher prices while transferring technology to poor countries. Sometimes, advanced nations transfer backward and out-dated technology to poor nations.

12. **Lack of Infrastructure**

Technology without infrastructure in developing countries is impossible. Transports and communications are not available in fully advanced form in Pakistan. There is shortage of sanitations and health facilities. Supply of electricity is also less and irregular.

**Conclusion:**

Now, in any production process, technology is as important as factors of production. By employing the modern technology, economic growth and economic development is possible. If a country uses backward methods of productions it will remains backward forever.

**Question No.2****What are the major obstacles to Pakistan's Economic Development?**

There are many barriers and difficulties in the way of economic development of less developed countries. Development for developing nations is desirable but not achievable due to a lot of hurdles. These obstacles are grouped into the following five categories:

1. Economic Obstacles
2. Social Obstacles
3. Cultural Obstacles
4. Political Obstacles and
5. Administrative Obstacles

**A. ECONOMIC OBSTACLES**

Some of the main economic obstacles are given below:

### **1- Deficiency of Capital and Foreign Exchange**

There is scarcity of capital and foreign exchange in Pakistan. Lack of capital and foreign exchange are a big hurdle in way of economic development. Per capita income is very low i.e., \$

1095. Low level of per capita income results in low saving and low investment. Domestic saving is just 9.9 % of GDP in Pakistan; it should be 25 % for rapid economic development.

Foreign exchange reserves of Pakistan are just \$ 15.0 billion.

### **2- Vicious Circle of Poverty**

According to Ranger Nurkse, vicious circle of poverty is the greatest obstacle in way of economic development. In developing countries there is low income that leads to low saving and low investment. Low level of investment causes low rate of capital formation, which stops the economic development. Rate of capital formation is just 5%.

### **3- Backward Natural Resources**

No doubt, developing countries including Pakistan have rich and many resources. But due to backward state of technology these resources are un-utilized, under-utilized or mis-utilized. So, the improper utilization of natural resources is also a hurdle in the development procedure. Share of natural resources to GDP is less than 1 %.

### **4- Backward State Technology**

Use of backward technology is another problem of economic development. Due to use of backward technology productivity level of our labour and its efficiency is very low. Productive quality and quantity is also inferior due to use of old means of production. Annual value of productivity of our labour is about \$ 100 as compare to the more than \$2500 in advanced countries.

### **5- Inflation**

High rate of inflation is also a hurdle in way of economic development. Rate of inflation is 13.3 % in Pakistan. Due to inflation purchasing power of people decreases, their consumption increases and saving decreases. Low saving leads to less investment and a country remains poor and backward.

### **6- Low Per Capita Income**

Per capita income of Pakistan is very low as compared to the rich nations. Low per capita income is due to low level of national income and high rate of population growth. Low per capita income results in low saving and low investment. So, in the economy, capital formation rate is low that is a serious obstacle in way of economic development. Per capita income in Pakistan is \$ 1095.

### **7- Internal and External Debts**

To operate some major projects, government has to take loans from national and international resources. These debts and their services charges are increasing day by day. While taking loans from abroad we have to follow the terms and conditions of foreign donors that is the obstacle in our growth and development process. Today, the burden of total public debts is Rs. 8160 billion and an external debt is \$ 53.9 billion.

### **8- Dependence on Agriculture**

In Pakistan, about 68% population is living in 46,894 villages. Their main occupation is agriculture that is at backward stage. Old methods of cultivation, less credit facilities, unorganized markets and limited irrigation facilities are factors, which are hurdle in the process of economic development. Total cropped area of Pakistan is 23.8 million hectares which is about 28% of total area.

### **9- Dualistic Economy**

Dualistic economy refers to the huge difference between various economic sectors. There are vast regional and income disparities in Pakistan. There is co-existence of fully advanced and fully backward state of technology in the same sector at the same time. Similarly, population of Pakistan is very rich and very poor; it is also a hurdle in economic development.

### **10- Deficit Balance of Payment**

Pakistan is facing the persistent deficit in its balance of payment since 1947 with the exception of 5 or 6 years. Higher imports volume than exports are an obstacle in way of

economic development. At present, imports of Pakistan are \$ 25.107 billion, exports are \$ 14.162 billion and deficit in balance of payment is \$ 10.945 billion in 2009-10. PAKSIGHTS.COM

## B. SOCIAL OBSTACLES

These are the major social obstacles in way of economic development of Pakistan:

### **11- Illiteracy**

Only 57 % population is literate in Pakistan. Due to illiteracy our farmer and industrialists are ignorant. Efficiency and productivity level of our labour is poor due to illiteracy. Use of modern techniques of production is impossible due to illiteracy. Accordingly, illiteracy is a difficulty in way of economic development.

### **12- Low of Living Standard**

Low level of living is a hurdle in the way of economic development. Our population is backward and its growth rate is as high as 2.05 %. Poor population is not provided appropriate facilities to make high standard of life. Low level of living, low income, inadequate housing facilities, poor health etc. are the problems of economic development.

### **13- Joint Family and Caste system**

Joint family system is also one of the main obstacles in the way of economic development. In joint family system all the members of the family do not work. They depend upon one another. Similarly, due to caste system rich and superior class do not work hard. 32.17 % population is working and 67.83 % is depending upon them in Pakistan.

### **14- Unproductive Expenditure**

Most of the expenditure of people is unproductive like expenditure on various rural fairs and festivals. People in developing countries prefer to keep resources in cash form in lockers at home. They invest in real estates and in gold and silver ornaments. These resources can be used for economic development.

### **15- Consumption Oriented Society**

Most of the population of Pakistan is consumption oriented. People have to make huge consumptions due to demonstration effect. Due to posh locality, friends and relatives people have to adjust their consumption styles. Consumption of people is very high due to fulfillment of customs, traditions and habits.

### **16- Rapidly Rising Population**

In developing countries like Pakistan population growth rate is very high i. e., 2.05 %. The rapid backward population growth is also a hurdle in way of economic development. This rapidly increasing population leads to starvation and various social crimes.

## C. CULTURAL OBSTACLES

Cultural obstacles are given below:

### **17- Customs and Traditions**

In developing countries like Pakistan, people spend huge portion of their incomes on customs and traditions. Sometimes they have to take part in the arrangements of rural festivals that reduce their savings. People have to spend more on marriage, birth and death times in our country.

### **18- Wastage of Resources in Litigations**

Legal process is very costly and lengthy in Pakistan. Especially, the large part of our farmer's income is wasted in litigations. It is wastage of resources and reduction in the rate of saving.

### **19- Low Participation of Women**

Almost 49 % population is female in Pakistan and out of them only 20 % takes an active part in economic activities. These facts are showing a little participation of women in economic activity that is also an obstacle in the way of economic development. Woman labour force is just 10.96 million.

### **20- Out-flow of the Best Brain**

Brain drain is also a problem in way of economic development. In our country, honour, dignity, self-esteem and authorities of qualified person is very low. So, they are bound to go abroad to provide their services for other nations.

### **21- In-efficient Entrepreneur**



Due to illiteracy and lack of training institution in our country entrepreneur PAKSIGHTS.COM  
In-efficient entrepreneur is a cause of economic backwardness. Illiterate entrepreneur cannot maintain the proper record of his business to earn maximum profit.

#### D. POLITICAL OBSTACLES

These are political obstacles in the way of economic development:

##### **22- Political Instability**

There is political instability in Pakistan; the policies of the government are also instable. Due to political instability, rate of economic growth and development remains low in all the sectors of the economy. Investors feel hesitation while making investment if political situation is not stable.

##### **23- Mis-use of Authorities**

Mis-use of authorities and powers is a big problem in the way of economic development. Mis-use of authority leads to corruption and nepotism. Accordingly, there is no regard for talented, intelligent and brilliant brain.

##### **24- Insincere Leaders**

Politics in Pakistan creates insincere leaders. Political leaders have no interest with the welfare of population but their own interest. In Pakistan rich industrialists join politics to safeguard their industries. The Feudals involve in politics for the sake of status and power.

##### **25- Changes in Fiscal Policy**

In developing countries there are frequent changes in fiscal policy. Change in price level and tax rate is a common practice. It is also a hurdle in economic development.

#### E. ADMINISTRATIVE OBSTACLES

Following administrative obstacles are problems in the way of economic development:

##### **26- Corruption**

In developing countries most of the officers are included in the curse of corruption. Sometimes, they have to make corruption due to any big administrative or political pressure.

##### **27- Favouritism and Nepotism**

Nepotism means selection according to relationship, not according to ability. In developing countries like Pakistan, there is favouritism and nepotism, which causes in economic backwardness. Preferences are given to the friends and relatives for the jobs.

##### **28- Lengthy Legal Process**

In developing countries law and order and legal process is very lengthy and costly. To obtain social justice, people have to waste their income and time. People have to depend upon the mood of the officer for their work in Pakistan. The official matters and domestic problems are highly inter-related.

##### **29- Mis-use of Authorities**

In our country, use of authorities is not reasonable. Officers use their powers for their personal interest. They give first preference to their own benefits and second preference to the public welfare.

##### **30- Law and Order**

Improper situation of law and order is also a problem in the way of economic development. Law and order conditions are not satisfactory in case of Pakistan. Here, Chief Justice Iftikhar Muhammad Chohdery was demanding for justice and justice was not provided him for a long time.

#### **Conclusion:**

Economic development in developing countries is facing a lot of problems. It is very difficult to remove all these obstacles but not impossible. Government should adopt self-reliance policy and adopt modern technology to remove these complications.

**Question No.3**

Discuss the major problems of agricultural sector of Pakistan.  
What measures/remedies do you suggest to improve this sector?

**Introduction:**

Agricultural sector is the backbone of our economy. But the growth of agriculture in Pakistan is facing a lot of problems. Due to various causes, per acre yield is very low in Pakistan as compared to other developed countries.

**PROBLEMS OF AGRICULTURAL SECTOR**

Problems of agricultural sector are categorized as below:

**A. TECHNO-ECONOMIC PROBLEMS****1) Limited Cultivable Area**

The total area of Pakistan is about 79.6 million hectares, out of which only 23.7 million hectares (28%) area is used for agricultural purposes. About 8 million hectares area is idle and un-utilized. There is vast sub-division and fragmentation of land holdings, as a result modern technology cannot be applied in agriculture sector.

**2) Water Logging and Salinity**

Water logging and salinity are twin problems of agricultural sector due to salinity, deposits of salt in land have appeared on the surface of land and they have adversely affected the performance of agricultural sector. Water logging and salinity affect about 0.10 million acre of land in every year. It is not only waste of land but also reduction in productivity.

**3) Slow Growth of Allied Products**

Allied products refer to those productions, which are not agricultural but indirectly, help the farmer to improve his living standard. Pakistan is insufficient in the production of fruits, milk, poultry, fisheries, livestock and forestry. As a result not only our food quality is poor but also industries such as furniture, textiles and dairy cannot be developed.

**4) Low Per Hectare Yield**

The most important problem of agriculture is its low yield per hectare for almost every major crop. 45.0% of labour force is engaged in this sector in Pakistan while it is less than 5% in developed countries. But, other countries of world are getting higher yield per hectare due to use of modern technology and trained labour.

**5) Inadequate Infrastructure**

Rural infrastructure like, roads, storage facilities, transport, electricity, education, sanitation and health facilities etc. is inadequate to meet the requirement of growth of agriculture. Total length of farm-to-market road is not only shorter but their condition is also poor. Many villages have no metal-led road at all. Electricity is available to only 3/4 rural populations.

**6) Uneconomic Land Holdings**

Due to increasing population and division of land under the law of inheritance, landholdings are subdivided over and over again. The result is that very large number of farmers has less than 2 hectares of area. Moreover holdings are scattered. It is difficult to use modern machinery on small pieces of land.

**7) Old Methods of Production**

No doubt, mechanization of agriculture is increasing in Pakistan, but in most of the areas, the old implements are still being used for agricultural production. Old and orthodox techniques of production cannot increase the production according to international levels.

**8) Inadequate Supply of Agricultural Inputs**

The supply of modern inputs like high yielding variety (HYV) seeds, chemical fertilizers, pesticides, mechanized machinery etc. not only costly but also inadequate and irregular in Pakistan. Numbers of fertilizer producing units are just 10 in Pakistan.

**9) Lack of Irrigation Facilities**

Shortage of irrigation facilities causes a serious limitation in the expansion of crop area in Pakistan. The lower water supplies, losses from water course in the fields are the serious problems of farm sector. Actual surface water availability is 91.8 million acre feet.

**10) Inadequate Agricultural Research**

The average crop yield in Pakistan is very low as compared to the production levels of the advanced countries of the world. In order to raise the potential of agricultural production, there should be continuous improvement in the research for agricultural growth. Total agricultural universities and colleges are only 16 in Pakistan.

**11) Problem of Land Reforms**

Land reforms have been implemented against the will of people. There is an urgent need to conduct a proper land reform for improving agricultural growth. Due to this problem agricultural production cannot increase to desired level.

**12) Defective Land Tenure System**

Defective land tenure system is also responsible for low yield per acre in agricultural sector. Landlords and feudal-lords live in posh urban areas while tenants and peasants have no or less incentive for their hard work. So, the productivity in agricultural sector remains low.

**13) Subsistence Farming**

Our farmer is attached with subsistence farming; a huge of portion of production is consumed at farmer's own house to support large family. Hence, less portion of the production is available for market supply. It causes low income of the farmers. Farming is not conducted at commercial level in Pakistan.

**14) Low Cropping Intensity**

Cropping intensity means the number of crops grown on a piece of land in one year. At the present stage of our development, there is low level of cropping intensity as compared to advanced countries. Cultivable area under double or multiple cropping is inadequate in Pakistan.

**15) Improper Crop Rotation**

Proper turning round of crops is essential to re-establish the fertility of the land. The constant cultivation of one crop or two; exhausts the fertility of the soil. Proper rotation of crops is necessary in order to restore the fertility.

**B. NATURAL PROBLEMS****16) Various Plant Diseases**

Various agricultural crops like cotton, sugarcane, tobacco, wheat and rice often come under attack of pests and insects. Pests and plant diseases reduce the annual productivity of agriculture.

**17) Natural Calamities**

Labour is in the hand of mankind but its result is in the hands of ALLAH in agriculture sector. So, growth of agriculture is dominated by nature. In case if there is too much rain, reduction in the productivity. There is 20% reduction in productivity due to unnecessary rain and unfavourable climatic situations in Pakistan.

**18) Scarcity of HYV Seeds**

Our poor farmers have to use lower quality seeds due to non-availability of High Yielding Variety (HYV) seeds. On the other hand, if seed is available they cannot be purchased due to low income. Agricultural production is badly affected because of inferior quality of seeds.

**19) Under Utilization of Land**

Mostly poor population is attached with agricultural sector in Pakistan. They are using orthodox and traditional means of cultivation. Our farmer is not interested to use the

advanced and modern means of farming, as a result area under cultivation remains under utilized, un-utilized or mis-utilized.

### C. SOCIO-ECONOMIC PROBLEMS

#### 20) Consumption Oriented

Our farmers have no proper records of their incomes and expenses. Mostly, they spend more when they have more due to illiteracy. A huge part of the farmer's income is consumed on occasions of marriage, birth, death and several other rural ceremonies and festivals in Pakistan.

#### 21) Farm er' s Lit i gat i on

There are frequent and continuous litigations among the farmers directly or indirectly. They are often seen in courts, police stations, irrigation offices, revenue boards and other official problems. Due to mentioned problems, our farmer cannot devote his time, energy, efficiency and labour to agricultural productions.

#### 22) Joint Family System

Joint family system is also a big problem in agricultural sector. Our farmer is poor; on the other hand he has to support his big family. It creates deficiency in saving and investment. A huge part of farmer's productivity is consumed at his own house.

#### 23) Illiteracy and Ill-health

Most of the farmers, labourers and tenants in our country are illiterate. They are untrained and inefficient to boost up the agricultural productivity. On the other side, the health of our farmers is improper due to rural backwardness. Literacy rate is only 57.7 % in Pakistan. Economic Survey of Pakistan shows that literacy remains higher in urban areas (73.2 percent) than in rural areas (49.2 percent).

#### 24) Political Instability

Political instability has affected development in all economic and social sectors. Unfortunately, the political situations in Pakistan are not stable. It creates unrest among the farmers to sell the productions to various industries as a raw material. On the other hand, people hesitate to invest in agricultural sector due to political unrest.

### D. FINANCIAL PROBLEMS

#### 25) Lack of Credit

Basically our farmer is poor and he has low level of income. Agricultural credit facilities are not common in Pakistan. Credit that can facilitate agriculture is not available easily. Moreover non-institutional sources are available but these are not reliable due to high rate of interest. About 50.8% poor borrow from landlords in Pakistan.

#### 26) Poor Financial Position of Farmers

It is a common saying about *our farmer that he borns in debts, grows in debts and dies in debts*. It means that financial position of Pakistani farmer is weak and poor. According to "Pakistan Human Development Report 2003" about 57.4% poor are working for feudal-lords without wages.

#### 27) Instability in Market Prices

The price market of agricultural goods generally remains unstable in the country. Cobweb theorem is very popular in case of market prices; it means that a price of one commodity is much high in this year and much low in the next year and vice versa. The farmers, do not get due reward from the sale of their productions. So, they remain unsatisfied.

#### 28) Shortage of Agricultural Finance

Agricultural credit facilities are not sufficient in Pakistan. Rate of interest on agricultural credit is high and loan is not provided in time. According to "Pakistan Human Development Report 2003" in Pakistan about 50.8% poor borrow from landlords at very high rate of interest.

**REMEDIES / MEASURES TO REMOVE THESE PROBLEMS**

Following measures are suggested to improve the agriculture:

**1) Supply of Agriculture Credit**

Poor farmers cannot afford the expensive technology from their own resources in Pakistan. So, supply of agriculture credit at easy terms and conditions is very necessary. An amount of Rs. 85,177 million is disbursed by commercial banks in 2016 and Rs. 49 billion was distributed by ZTBL. ZTBL issued credit of Rs. 37.4 billions during 2017-18.

**2) Water Logging and Salinity Control**

Water logging and salinity destroys about one million acre of land every year in Punjab and Sindh. It reduces our cultivable area. For this purpose, installation of tube wells, repair of canal banks and drainage of water etc. are needed. The Ministry of Agriculture proposed to invest Rs. 18.5 billion with the objective of converting 2,00,000 acres of irrigated land to drip and shower irrigation system.

**3) Construction of Dams**

Sometimes, due to heavy unwanted rains and floods agricultural productivities destroys. To tackle this problem it is necessary to construct dams and bands on rivers.

**4) Provision of HYV Seed**

High yielding variety seed is not available at suitable price in Pakistan. So, farmers have to depend upon low quality of seeds that causes 20% reduction in total production. Government should provide HYV seed at minimum price in this case.

**5) Mechanization**

Farm mechanization is necessary to remove the problems to agriculture sector. Sowing, cultivation and harvesting of crops through agricultural machines increase the productive quality and quantity.

**6) Agricultural Research**

Agricultural research is compulsory to remove the backwardness of agriculture sector. Major agricultural colleges and universities are only about 16 in Pakistan. Government should increase the research work in the field of agriculture.

**7) Agro-based Industries**

Agro-based industries like poultry, fisheries, dairy and livestock should establish. These industries indirectly lead to improve the agricultural sector.

**8) Tax Concessions**

Mechanization is necessary to remove the problems of agriculture sector. Government should give tax concession on imports of agricultural technologies to enhance the process of farm mechanization.

**9) Training of Farmers**

Our farmers are illiterate and ill trained so, their efficiencies are poor. Government should start special education programme for farmers and give them training about farming.

**10) Prices of Agricultural Productivities**

Sometimes, our farmers receive low prices of their crops. There is no proper effective price policy of government. Government should set reasonable prices of agricultural productions to develop the living standard of farmers.

**Conclusion:**

Being an agrarian country, agricultural sector of Pakistan's economy is still backward. Use of modern techniques, provision of credit facilities, basic infrastructure and agriculture research facilities are needed to remove all the problems of agriculture sector.

**Question No.4****What are the problems of small scale industry, Describe the role of government.**

Small scale and cottage industrial sector has emerged as an engine of growth in several developing and developed economies of the world. In Pakistan also they have emerged as a vibrant and dynamic sector of Pakistani economy by virtue of their significant contribution to GDP, industrial production and export. However, the most vital contribution of this sector is headed for employment generation which is next to agriculture.

A comprehensive package of programmes and policy measures has been formulated by the government to accelerate the growth and productivity of small scale sector. The support packages includes a variety of promotional and protective measures like industrial estates programme, ancillarisation programme, product reservation policy, programme of technology upgradation and modernization and financial support measures, etc.

**Economic Development**

Some government programs help businesses start, grow and relocate to specific areas. In some ways, local, county and state governments compete with each other for jobs. They do this by offering start-up incentives and taking steps to create a “business-friendly” environment. These steps include tax credits, worker training, free land, zoning changes, low-interest loans, infrastructure improvements and help with fast-tracking licensing and permitting.

**Loan Programs**

Government agencies such as SMEDA provide loan guarantees to small businesses and encourage local banks to work with start-ups or established companies that want to expand.

**Research and Development**

The federal government provides grants to academic institutions working to develop new technologies that will benefit industry with the caveat that the institutions share the technologies with industry. In some instances, the government provides grants to private companies making a new product or service that will improve a vital area of an economy, such as transportation, energy, agriculture or communications. Some states also fund research and development projects and work with private investors and the federal government to raise funds.

### Infrastructure Improvement

Business does better when it can move raw materials to factories efficiently and get finished goods to plants and markets quickly. Governments help improve the infrastructure needed for businesses to succeed. This includes building and maintaining roads, bridges, rail lines, airports, seaports, energy transmission lines and telecommunications systems.

### Education and Training

To ensure businesses have access to trained workers, governments provide free schooling for primary and secondary students, grants and loans for higher education and worker training programs. Governments often work with trade schools, community colleges and universities to provide free worker training.

## Question No.5

### Describe the Steps taken by government to promote exports

#### Export Promotion Measures

Since independence in **1947**, Pakistan has been facing a peculiar situation of slow growth in respect of its exports. The exports have increased at an annual growth rate of **5.6%** whereas some other developing countries in Asia like Korea, Taiwan, China, Malaysia has succeeded in increasing their exports manifold and reducing poverty at rapid speed. The Government of Pakistan is quite aware of this situation and has taken concrete measures to boost external trade in the country. The exports have grown by about **112%** from **\$7.8 billion in 1998-99** to **\$16.5 billion in 2005-06**. The exports further went up to **\$17.1 billion in 2006-07**. **It is projected at \$19.2 billion in 2007-08**.

#### Main elements in export development:

Pakistan's exports base is extremely narrow. About 63% of its exports earning are contributed by the cotton group alone. The other three items namely leather, synthetic made ups and rice contribute about 15% of total exports. Unfortunately the above four items are relatively low value added product. Pakistan has not made **much progress in increasing the number of products**. **Pakistan is also yet to enter in hi-tech exports. In short, Pakistan is lagging in product diversification, value addition diversification, hi-tech industries to face the fierce global competition, faced with lower % share of industry in GDP, the Government of Pakistan is taking the following measures for export promotion.**

#### Steps for Export Promotion:

**Diversification of product and market:** At present our exports are highly concentrated in five products namely cotton, leather, rice, synthetic, textiles and exports which account for 78% of our exports. These items are generally of low quality and low priced in the international market compared to other competitive countries. Pakistan is gradually moving towards not only higher value added products in export of textile manufactures but have **added ten more sectors** like engineering goods, marble and granite, fisheries, IT and finance and accounting services etc., for increasing earning in exports. In addition to

diversification of products, new markets for the Pakistan's goods are also being explored in African countries, South America, Russia Eastern Europe etc.

**Value added in exports:** Pakistan's share in international trade is merely 0.12 percent. For increasing exports, it necessary that it should move **towards higher value added in exports**. Pakistan is importing new machinery for quality improvements in textile manufactures, leather jackets, and other products so that its exports should grow.

**Cluster development:** If there is a concentration of small and medium enterprises producing related goods, it helps the industries in complementing each other resources and exports. The Government of Pakistan is providing loan and building infrastructure to develop light engineering industry to Gujranwala and Gujrat, cutlery industry of Wazirabad and Sports industry of Sialkot, marble industry of Karachi. If the businesses succeed in improving the quality and quantity of their produce, it will help in increasing the volume of exports.

**Brand development:** The Export Promotion Bureau (EPB) now called Trade Development Authority of Pakistan (TDAP) is persuading the exporters of textiles, leather garments, rice, sports goods to develop their own brands and labels for their products. The highest level of value addition occurs when products are sold under a brand name.

**Setting export processing zones:** The Government is establishing new export processing zones in Sialkot, Gawadar, Quetta and Multan for facilitating businesses to export goods.

**Appointment of trade commissioners.** The appointment of trade commissioners is also helping in promoting country's image and securing orders for exports.

**Improvement in physical and financial infrastructure:** The Government is investing heavily in the improvement of physical and financial structure including shipment, clearance, cargo space, handling at the parts and airports for smooth flow of export and import of goods.

**Package of game and Jewellery sector:** In order to increase exports of gems and Jewellery, it has been declared as an industry. The sector has now easy access to credit and avails of the advantages in utility rates and taxes. The reduction in cost of production will make these goods competitive in the international market and help in promoting trade.

**Refund of sales tax:** The procedure for refund of sales tax has been simplified. It will help the exporters to free up time and focus on marketing of goods in the international market.

**Improving Skill development:** For increasing exports, stress is now being laid on increasing labour productivity through education, on the Job training, skill up gradation and importing new knowledge and latest techniques. This will help the businesses to produce higher value added goods at low labour unit cost.

**WTO obligations:** Pakistan is one of the founding members of World Trade Organization (WTO). It is fully abiding by WTO rules of non-discrimination among various members in their tariff regimes and other rules and regulations. It is hoped that Pakistan will get a larger share of its products in the international market. Pakistan needs to meet challenges and avail opportunities in all sub-sectors.

**New era of exports:** Pakistan is now preparing itself rapidly for the new era of exports where hi-tech and information technology (IT) has major role to play.

**Establishing Trade Development Authority (TDAP):** The Government has established TDAP for rapid trade promotions in the fast changing international trading environment. This TDAP has replaced Export Promotion Bureau (EPB) establisher in 1953. The TDAP is equipped with the necessary resources and autonomy for effectively taking decisions to increase exports.

**Export of horticulture products:** For increasing export of perishable horticulture products, the setting up cool chains and cold storages is being encouraged in the country.



**Warehouse city:** A modern warehouse house city in Karachi is being set up with public private partnership and run by professional management.

**Support for footwear sector:** Our leather and footwear sector has significant export potential. The Government has allowed research and development support to this sector.

**Neglected regions:** Focus on trade is now on neglected regions of the world.

## Question No.6

### Write a note on importance of power sector and Energy crisis in Pakistan

**Introduction:** Energy is very much essential for all the activities of the daily life and that is why its deficiency can have sever impacts on the lives of the people as well as the economy of the state, and that is why it is considered to be one of the most significant fundamental rights of the people and is the most important obligation of the government to provide the people of the state with the required capacity of the Energy.

**Pakistan Energy Sector:** Pakistan in one of those countries which don't have a very well equipped and stable infrastructure of the Energy sector for which it is not developed properly and that is one **major Problem of Pakistan** and core reason for which the country is facing sever and alarming energy crisis from the past one decade. The Government has not shown some positive intent and instead of planning for new projects of energy generation or from shifting from traditional means to something new and more effective they have relied on imposing the cost of the energy on the local people which has made it very difficult for the locals to pay the bills and hence, the problem is still their existing.

The difference between the demand and the supply of the energy is getting higher and higher which is even making the conditions worse. In the time span of 2009 and 2010 it was being reported that the energy supply per capita availability of energy declined by 0.64% but in the last year which was 2012 the decline has reached to almost 3.09%. in the modern scenario the energy consumption and energy supply gap is increasing by time to time as the current production of the Energy in Pakistan is almost 15,000 to 20,000 Mega Watt but at the same the production is just 11, 500 to 13, 000 Mega Watt so the deficit of 4,000 to 5,000 Mega Watt exists which is considered to be a huge difference.

Pakistan Energy consumption is increasing to a huge extent and that is why it is not just relying on the Electricity as there are a lot of **Electricity Crisis in Pakistan** too but at the same time which are also contributing in this regard of meeting the shortfall.

**Sources of Energy in Pakistan:** Pakistan do have the leverage of not only depending on the electricity traditional means of the generation of power and energy but at the same time they have many other sources but the only need is to plan them properly and more practically so that they can be used for the purpose of energy production.

Under the non renewable resources we do have Petroleum products, fossil fuels, Coal, Natural gas as in Pakistan the contribution of various sources of power are as follows;

Gas: 43.7%

Oil/Petroleum: 29.0%  
Electricity: 15.3%  
Coal: 10.4%  
LPG: 1.5%

In renewable resources we do have the hydro power system which can be increased and enhanced so that we can meet our demands and the short fall can be decreased.

**Current Hydropower stations:**

Tarbella Dam : 3,478 MW  
Ghazi Brotha: 1450 MW  
Mangla 1,000 MW  
Warsak 240 MW  
Chashma 184 MW

**Potential Hydropower stations:**

Diamer-Bhasha Dam 4500 MW  
Munda Dam – Swat river in Mohamand Agency 740 MW  
Kalabagh Dam 2400-3600 MW  
Bunji Dam 5400 MW  
Dasu Dam 3800 MW

In the alternate solutions for the meeting the demand and supply gap in Pakistan we need to establish those means of energy production which are not that much common in Pakistan, as in this process we can shift from the traditional means of generating energy, this will also enable us to generate more energy and will also help us to prevent the reserves of the oil and gas in our country. The alternate means of generating energy in Pakistan are;

Wind  
Solar  
Agricultural Biomass and Biodiesel  
Tidal  
Nuclear

**Causes of Energy Crisis in Pakistan:** The major causes and the reason which have contributing in to the power shortfall is the mainly due to the increasing populations, because as simple as that the population is increasing day by day in the state which is definitely increasing the demand of energy and that is increasing the demand to supply gap. Energy theft is also a curse which Pakistan is bearing in which people not only on domestic level but even commercially and industrially are doing energy theft in which they are consuming the energy on high levels but are not paying the concerned department and body for which that all energy is being drained in vein.

**Recommendations & Solutions:** The **solutions of the energy crisis in Pakistan** must be implemented and adopted on emergency basis and the main solution to the problem is that the administration should shift to more modernized means of production so that they can increase the level of production and should meet the demand and at the same time the responsibility also lies on the people of the state that they should play their role in reducing the consumption and saving the energy so that Pakistan can be brought out of this alarming situation and from this threatening problem.

**Question No.7**

**Discuss the importance of Pakistan Railway. Also discuss the problems faced by Pakistan and suggest measures to improve?**

**Importance of Railways:****Important mean of travel:**

It is the important mean of traveling for passengers as well as goods transportation from the different areas of the country. It is also the cheapest means of transportation in Pakistan.

**Means of agricultural and industrial transformation:**

It is important because different sectors of the economy e.g. agriculture and industries are developed with the help of railways. Agricultural, products and agricultural raw material are transported from rural sector to markets like wise industrial raw material and manufactured goods are supplied to factories and markets respectively.

**Transport for all necessities of life:**

Almost all the necessities of life e.g petrol, wheat, rice & pulses are transported through railway to avoid shortage problem.

**Transport for army movements:**

It is an important source of transportation for army movements for exercises and plays vital role during emergencies like war.

**Development of projects:**

Material, machinery, iron, cement for development projects are supplied through railways.

**Source of employment:**

It is an important source of employment.

**Source of national income:**

It is playing an important role for the production of national income and its disbursement

**Problems of railways:**

**Late arrivals of trains:**

The trains are generally late and passengers are facing problems.

**Single track system:**

Pakistan's railway is operating on single track system while double track system is limited. About 60% of total tracks are single in Pakistan.

**Lack of accountability:**

Like other organization of Pakistan, this sector also lacking of accountability that creates problems of corruption and misuse of resources.

**Unhealthy union:**

The unhealthy union activities have adversely affected the performance of this sector.

**Old and shortage of locomotive (engine):**

There is an acute shortage of locomotive and the rolling stock in possession of railways is old and outdated. It is estimated that more than 50% of machinery of railway is outdated and not feasible for traveling.

**Burden of staff:**

Railways organization is over staffed which is a financial burden and affects position of railways. In the past illegal appointments on political basis have been taken. Which increase the overall budget of this department?

**Dishonesty:**

Pilferage (stealing) of goods in transit has become a common feature. Due to dishonesty railway has to pay compensation in thousands.

**Misuse of funds:**

Corruption and misuse of funds have also affected the development projects

**Lack of technical personals:**

Although railway is over-staffed and some concocted (fake) specialists are earning huge amounts, yet there is a shortage of real technical personnel's

**Low wages:**

The wages paid to workers are low. Majority of workers live from hand to mouth.

**Inadequate facilities:**

Inadequate facilities have been provided to passengers.

**Shortage of funds:**

There is a shortage of funds to increase the number of locomotives, to start development projects and to provide facilities to passengers.

**Suggestion to improve the performance of Pakistan railway or remedies**

**Privatization of railway:**

There should be reorganization or privatization of railway to avoid heavy losses.

**Double track system:**

For easy and quick transportation, there should be double track system.

**Efficient workers:**

Efficient and hardworking employees should be selected because our present employees are generally inefficient as the selection is made on kinship basis.

**High wages:**

To attract technical personnel's and qualified people high wages should be offered.

**Better facilities:**

Better facilities should be provided to the passengers as well as traders and pilferage of goods in transit should be controlled.

**Strong administration:**

There should be control on corruption, misusage of funds and leakage of revenue through procedure of accountability.

**Question No.8****What are the causes and measures to remove poverty in Pakistan and in developing countries**

In Islam, poverty is a great curse and unfortunate. Our beloved Prophet Hazrat Muhammad (PBUH) also prayed to Allah to save him (PBUH) from Poverty. Poverty is the state in which one lacks a usual or socially acceptable amount of money or material possessions. Poverty is said to exist when people lack the means to satisfy their basic needs.

**Definition:**

“Poverty is a multi-dimensional trend which is characterized by lack of income and non-fulfillment of basic needs as well as lack of access to social infrastructure.”

**TYPES OF POVERTY:**

These are the major types of poverty:

**1) General Poverty**

General poverty refers to the existence of poverty in almost all the sectors of economy. As in case of Pakistan, 21.0 % population is much poor.

**2) Absolute Poverty**

It is meant to represent a specific minimum level of income needed to satisfy the basic physical needs of food, clothing and shelter in order to ensure survival.

**3) Cyclical Poverty**

Cyclical poverty refers to poverty that may be widespread throughout a population, but its occurrence itself is of limited duration.

**4) Collective Poverty**

Collective poverty involves a relatively permanent insufficiency of means to make safe basic needs of life.

**5) Concentrated Collective Poverty**

Cities or regions neglected by industry and in areas where agriculture or industry is inefficient and cannot compete profitably, there are found victims of concentrated collective poverty.

**6) Case Poverty**

Case poverty refers to the inability of an individual or family to secure basic needs even in social surroundings of general prosperity. This inability is generally related to the lack of some basic quality that would permit the individual to maintain himself.

7) Poverty line

A level of personal or family income below which one is classified as poor according to governmental standards - called also poverty level. In Pakistan poverty line is a US Dollar per day.

**Explanation:**

Poverty refers to the state of being poor, including deficiency of capital and lack of the means of providing material needs and comforts. In developing countries poverty is common in all the regions.

**Situation in Pakistan:**

21.0 % population is much poor and spending their lives below poverty line in Pakistan. Poverty line refers to one dollar per day. Last year population below poverty line was 23.9 %.

**CAUSES -OR- REASONS OF POVERTY:**

Causes of poverty may be divided into following three categories:

**A. ECONOMIC CAUSES****1. Vicious Circle of Poverty**

Vicious circle of poverty is the largest reason of poverty. Developing countries including Pakistan are trapped into VCP. A poor country is poor forever due to the VCP.

**2. Unemployment**

Unemployment is the major cause of poverty. Unemployment means no source of income and result is poverty. Rate of unemployment is 5.5 %, 16 % is underemployed and 20 % is disguised unemployed in Pakistan.

**3. Lack of Foreign Investment**

Due to backwardness, political instabilities and improper availability of infrastructure the attraction for foreign investment is not suitable. Foreign investment is \$ 1.8 billion in Pakistan. Lack of foreign investment means less employment opportunities and poverty.

**4. Low National Income**

Poverty in Pakistan is also the result of low level of national income. Low level of national income means low level of saving and low level of investment. All these factors contribute toward poverty.

**5. Use of Backward Technology**

Techniques of productions used by developing countries are backward. Due to out-dated methods of production, productivity level is low. Low level of productivity means narrowness of market and reduction in exports and increase in imports.

**6. Increase in Utility Charges**



Utility charges like water, gas, electricity, telephone bills etc. are increasing day by day in Pakistan. More utility charges lead to reduction in the saving of population and its result is poverty.

### **7. Low per Capita Income**

Per capita income of Pakistan is as low as \$ 1095. Low per capita income means low level of saving and low level of investment. Its result is poverty.

### **8. Backward Agricultural Sector**

In agriculture sector people have adopted just subsistence farming styles. They are not farming according to the commercial patterns. Sometimes due to natural calamities and use of backward techniques of production, there is reduction in production and it decreases the income of poor farmers.

### **9. Absence of Credit Facilities**

Poor population needs credit facilities to take an active part in economic activities to remove poverty. But in Pakistan, availability of credit is not desirable. Poor people have no access to credit it is only for rich landlords. Conditions for credit issuing are so tight and credit is not given in time.

### **10. Improper Income Distribution**

Imbalanced distribution of resources is an additional cause of poverty in Pakistan. This situation leads to increase the gap between rich and poor. Due to undesirable distribution of income and wealth, poor population is unable to take part in economic activities to remove poverty.

### **11. Low level of Productivity**

Due to use of backward technologies and inefficiencies of labour & entrepreneur productivity level in Pakistan is very low as compare to developed countries. Value of annual productivity of Pakistani labour is much lower than the labour of rich nations.

### **12. Low level of Saving**

Low level of saving is mainly due to low income. It leads to less investment and less return. Due to less return people remains poor forever. Domestic Savings are 9.9 % of GDP in Pakistan.

### **13. Inflation**

High rate of inflation is an extra reason for poverty. Due to inflation much amount of money is not enough to purchase much amount of goods and services. Inflation decreases the savings and investments of poor people and they remain poor. Rate of inflation is 13.3 %.

### **14. Imposition of Taxes**

Government has to impose taxes to raise its revenue. Imposition of taxes reduces the disposable income of people. Lack of disposable income means low savings and low investment and poverty.

### **15. Non-Productive Expenditures**

Government has to make a lot of unproductive expenditures on social heads and to make strong defence. These high expenditures are also a reason of poverty.

### **16. Low Rate of Capital Formation**

Rate of capital formation in Pakistan is very low. Low rate of capital formation means low opportunities of employment, low level of productivity and deficit in balance of payment that leads to poverty. Rate of capital formation is just 5 % and it should be more than 20 %.

## **B. SOCIAL CAUSES**

### **17. Population Pressure**

Rapidly raising population is also a cause of poverty. Existing population is already not provided basic necessities of life. So increase in population will lead to increase in poverty. Total population is 169.94 million at the growth rate of 2.05 %.

### **18. Dishonesty & Corruption**

Poverty is also due to dishonesty and corruption in management. Officers receive a huge amount of illegal money for the legal and illegal job. These unnecessary payments reduce the savings of poor and result is poverty.

### **19. Illiteracy**

Lack of education and training is also a cause of poverty. It reduces the abilities to work. Sometimes a worker due to illiteracy remains unemployed or underemployed. Similarly, lack of skill in entrepreneur also reduces his profit and its result is poverty. Literacy rate is 57 % in Pakistan.

### **20. Backward Infrastructure**

Non-availability or availability of backward infrastructure is also an additional reason of poverty. Low level of education, backward state of technology, poor health, inefficiency of labour and poor system of transportation & communication are caused in poverty. These entire things create no attraction for investment.

### **21. Low Living Standard**

Pressure of foreign counties in our economic activities, backward standard of productivities and improper basic facilities to population reduce the living standard of population. Low living standard is a symbol of poverty.

## **C. POLITICAL CAUSES**

### **22. Law and Order**

Law and order conditions are at their poor stages. A huge portion of saving of population is wasted in costly and lengthy legal process Chief Justices Iftikhar Muhammad Chohdery has to wait for justices for a long period in Pakistan.

23. **Poor Governance**

Instable government and instability in the policies of government is another cause of poverty. Every government remains fail to establish such policy that leads to reduce the poverty.

24. **Landlordism**

Ignorant but big landlords control our whole economy. They have no sense of social welfares. In government they take those actions that are in their personal interests.

25. **Nepotism**

Nepotism means the murder of talent and abilities. It refers to the employment opportunities according to relation not according to the worth. If population is poor but is talented it remains poor due to nepotism.

### MEASURES TO REMOVE POVERTY

Different economists to remove the serious problem of poverty suggest following measures:

- 1- Poverty can be removed by broking the vicious circle of poverty.
- 2- Control on inflation is compulsory to eliminate the poverty.
- 3- Government should provide more facilities to investors to increase the investment to reduce the unemployment.
- 4- Use of modern techniques of production and subsidies in utility charges is necessary.
- 5- Development of agriculture and industrial sector will reduce the poverty in Pakistan.
- 6- Government should make easy, more and in time availability of various types of credits.
- 7- We should save more to reduce the poverty.
- 8- Govt. should reduce the rate of tax and increase the rate of capital formation.
- 9- Govt. should allocate more funds for education to increase the literacy rate.
- 10- Proper maintenance of law and order in necessary to remove the poverty.
- 11- Check on nepotism is necessary to reduce the poverty.

**Conclusion:**

Poverty is not bad but to remain poor and to accept poverty is really bad. In Pakistan, poverty is increasing day by day. Effective steps of government are required to reduce it. Government should provide credit facilities and use labour intensives techniques of production to reduce the poverty.