

Code: ECON-304

Title: Major Issues in Pakistan Economy

Credit Hours: 03

Prerequisite: Intermediate Microeconomics and Intermediate Macroeconomics

Objectives:

This course is designed for the students to understand composition of Pakistan Economy and its management during different government regimes. They will also learn issues related to agriculture, manufacturing, and services sectors. They will also be familiarized with various issues like unemployment, inflation, poverty, and income distribution.

Course Contents

Overview of Pakistan Economy

Development Experience, Approaches, Policies, and Outcomes. Identification of Issues: The era of 1950s, 1960s, 1970s, 1980s, 1990s and 2000s. Structural Change and Sources of

Growth. Emergence of Economic Issues, Human Resource Development, Unemployment, Poverty, Income Distribution, Debt, Deficit etc. Growth with limited development in Pakistan.

Development Planning and Resource Mobilization

Agricultural Development Policies and Priorities, Major Targets of Develop Plans and Emerging Issues; Neglects and Successes: Mobilization of Domestic Resources; Shortages, Deficits and Role of Foreign Aid. Agricultural vs. Industrial Development Debate. Agricultural Adequacy.

Agriculture and Industrial Development: Emerging Issues

Pattern of Agricultural and Industrial Development, Land Reforms and Its Impacts, the Role of Green Revolution and its Impacts: Present Status. Agricultural Price Policy and Income Tax. Sectoral Terms of Trade. Industrial Development Policies and Strategies. Development of Large and Small Industries. Value Added: Manufacturing Goods vs. Primary Goods Production. Agriculture vs. Industry: Development Debate.

Sectoral Development, Employment Pattern and Unemployment

Sectoral Priorities and Development Issues. Human Resource Development and Emerging Issues: Population Growth, Labour Force Participation Rate and Employment Pattern, Unemployment and Underemployment, Forecasting Manpower Needs and Employment. Strategies to combat unemployment. Criteria to Measure Unemployment / Underemployment: Time Criterion, Productivity Criterion and New Index of Unemployment: Application to Pakistan and Empirical Evidences. Good Governance, Social Action Plan and its Impact. Role of Institution in Development. Social Sectors development vs. High Return Sectors: Growth trade off.

International Debt and Dependency

Concepts of Foreign Aid and Debt. Borrowing vs. Domestic Reserve Mobilization (failure). Size of Foreign Debt, Debt Saving and its Impacts. Strategies to combat with High Debt: Saving Policy, Foreign Trade Promotion, Cutting non-development Expenditures, Rescheduling and its Impacts. Debt Management in Pakistan and its Impacts. Debt Modeling and Future Implications.

Poverty and Income Distribution

Pattern of Income Distribution: Rural and Urban. Definitions and Approaches to Measure Poverty: Income Approach, Expenditure Approach, Basic Needs Approach, Poverty of Participatory Index (POPI). How to Combat Poverty: Growth Strategy, Basic Needs, Labour Intensive Investment: Education / Training etc. and Social Action Plan (SAP), its Role and Critical Review, Evasion of Policies / Strategies to Combat Poverty and Improving Income Distribution: Critical Evaluation. Neglect of Human Resource Development. Child Labour. Factors Productivity Issues.

Inflation, Foreign Trade Deficit and Emerging Issues

Sources of Inflation in Pakistan. Policies to Combat Inflation and their Impacts. Trade Performance, Instability and its Impacts. Policies to Combat Deficit and Trade Instability. WTO and its Impacts. Reforms and Further Needs. Expected Impacts of WTO and Challenges.

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Terms of Trade Issues, Market Access and Health Related Rates.

Recommended Books:

- S. Akbar Zaidi, (2011). Issues in Pakistan's Economy, 2nd edition. Oxford University Press.
- Shahrukh Rafi Khan. (2004). Fifty Years of Pakistan's Economy: Traditional Topics and Contemporary Concerns, Karachi: Oxford University Press.
- Mahbool ul Haq, (1989). A Profile of Poverty in Pakistan, Oxford University Press for the Centre for Human Development (MHCHD).
- Mahboob ul Haq. (1999). Human Development in South Asia: The Crisis of Governance, Karachi: Oxford University Press for the Human Development Centre.
- World Bank, World Development Reports.