Chapter 3

Economic Development

Learning outcomes

Students will be able to:

- Discuss Economic developments in Pakistan through decades.
- Describe major metallic and non-metallic mineral resources of Pakistan, their economic values and distribution in Pakistan.
- Explain the role agriculture plays in the economy of Pakistan.
- Point out the agricultural potential of Pakistan along with problems and measures for maximization of yield.
- Discuss the water resources of Pakistan and the existing irrigation system.
- Discuss the production and distribution of major crops, livestock and fishing.
- Enumerate the pattern of modernisation in agriculture.
- Discuss the main problems associated with our agriculture.
- Discuss the importance of industries in economic development.
- Discuss briefly location and production of cottage, small and large scale industries.
- Discuss the importance of energy resources in development.
- Discuss the production and consumption of different sources of energy.
- Analyse international trade of Pakistan, its composition, direction and changing balance.
- Enumerate the causes and consequences of poverty in Pakistan.
- Point out the steps that can be taken to alleviate poverty.
- Explain the importance of sea-ports of Pakistan.

Economic Development in Pakistan

Economic development implies expansion of a country's productive capabilities, improvement in the standard of life, employment, self sufficiency in food, equality in society. Pakistan's economy is based on agriculture, industry, trade and education. We will discuss them one by one.

Agricultural Development:

Pakistan is an agricultural country in the sense that 65% of its population is directly and indirectly linked with agriculture. Agriculture sector provides raw material to the industrial sectors. The share of agriculture in the country's Gross Domestic Product (GDP) is around 32 percent. However, our agriculture sector is yet underdeveloped. Government has taken the following steps for improving the agriculture sector:

- The use of modern agricultural means such as the use of chemical fertilizers, which was one thousand ton in 1952-53 reached 2.4 million ton in 2002-03 that has increased agriculture produce.
- One hundred and forty eight tons of high quality seeds were distributed among the farmers in 2002-03 to increase agricultural produce.

- Agriculture department sprays insecticides on the crops so that they are safe from diseases and the produce is enhanced.
- Agricultural universities – in Peshawar, Faisalabad, Rawalpindi and Tandojam are providing quality education in the field of agriculture and conducting research which resulted in production of many new varities of seeds.

Besides this agricultural loan, better irrigation and support to the process of agricultural produce are also adopted.

Industrial Development:

At the time of its independence, Pakistan's industrial base was very weak. At the time of partition there were some 921 industries in British India of which only 34 came under the jurisdiction of Pakistan.

A strong industrial base is essential for a country's agricultural development, balance of payments in its international trade, and reduction in its rate of unemployment.

The lack of political stability, which has characterized the country ever since its independence, has affected the flow of foreign investment in the country, and thus, its industrial development. The nationalization of many large industrial units in 1972 followed by that of commercial banks in the private sector in 1974 created an unfavorable political environment for private investment either in the industrial or the banking sector.

Later on, the process of nationalization was halted and still later reversed by adopting the policy of privatization, which encouraged investment, both local and foreign, in the industrial sector. In eighties nationalized industries were given to private sectors.

The state, to be sure, has taken steps throughout its history, for the promotion of industrial development in the country. for example, In 1952, Pakistan established the Industrial Development Corporation. Industrial Research Centres and Pakistan Council of Scientific and Industrial Research. In 1961 the Industrial Development Bank was created. Industrial Areas, the Small Industries Corporation, and institutions of technical education were established.

Pakistan is today an important manufacturer of textile, woolen cloth, vegetable oil, match-boxes, leather goods, rubber, cement, cigarettes and sugar. Pakistan is not only self-sufficient but also exports them.

Trade:

International trade plays an important role in a country's economy. A country's balance of trade is an important indicator of the economic development of a state. The volume of Pakistan's foreign trade has constantly been growing with its industrial growth. Initially, Pakistan exported agricultural products only but now the share of industrial goods has been constantly increasing.

Natural Resources:

Natural resources play an important role in the economy and prosperity of a country. Climate, forests, water, minerals, animals, man power, mountain etc are natural resources.

The country has vast reserves but unfortunately, Pakistan's natural resources have been extremely underutilized.

Education:

There is a certain link between a country's educational development and its economic development. Without investment in education that brings about development in human resources, the objectives of a country's economic progress cannot be realised.

In each five year plan, the government allocates funds to education. The aim of the new education policy is to prepare the nation for the challenges of the 21st century.

Mineral Resources:

Raw materials play an important role in a country's industrial development. The existance and availability of mineral resources is the key to a strong economy.

Extraction of these mineral resources require great technical skills which is often very rare locally in developing countries having poor technologies. Thus, for exploiting their mineral riches, these underdeveloped countries often rely on the services of multinational companies.

Pakistan is endowed with many mineral resources including crude oil, natural gas, coal, iron, chromite, copper, carbonate, marble, gypsum, sulpher, china clay and salt. They are discussed as follows.

Salt Mine Khewra

1: Crude Oil:

Crude oil, also known as petroleum, is one of the world's most important source of energy. Most of the transport on land, in sea or air all over the world is carried out by vehicles fuelled by petroleum refined from crude oil. Its importance is increasing with the passage of time because its demand is constantly growing due to industrialization and the expansion of transportation.

Because only about 10 percent of Pakistan's demand for crude oil is met by local production, the country has to import the rest 90% by spending vast amount of foreign exchange. Import of crude oil is a major source of Pakistan's foreign trade deficit.

Crude oil reserves in Pakistan are found in Kot Saring, Toot, Mial, Khor, Dhalian (District Attock), Dhoduk (District Dera Ghazi Khan), Karsal (District Jehlum), District Badien and Adhi Qazian (District Rawalpindi). Important reserves are also found in southern Sindh.

2: Natural Gas:

Natural Gas is another important source of energy. Besides domestic use, it is used in cars, fertilizer factories, cement factories and thermal power houses. 29% of natural gas is used in fertilizers factories and 24% in other factories.

Natural Gas reserves in Pakistan are found at Sui in Balochistan; at Khairpur, Sari, Hundi, Mazrani, Kandkot, and Saring in Sindh; at Dhoduk, Pirkoh, Dhalian, and Mial in Punjab; and at Gurguri near Karak in the Khyber Pakhtunkhwa.

3: Coal:

Coal continues to be an important mineral resource. Before the availability of oil and gas coal was used to run factories and railway engines.

In Pakistan, its mines are found at Mach, Khosat, Harnai, Sinjidi, Pir Ismail Ziarat, Sor-Range Degari, (Balochistan) Lakhra, (Dadu) Makerwal, (Miannali) Jhinmpur (Thatta) and Thar (Tharparker). The world's largest coal reserve has been discovered at thar in Sindh but it has not yet been properly exploited.

4: Crude Iron:

Many low grade iron ores have been discovered in Pakistan. These are found in Chalghazi, Kalabagh, Langrial, and Chitral. High grade iron ore has been discovered at Nokandi in Balochistan.

5: Gypsum:

Gypsum is found at Daudkhel, Khewra, and Dandot. It is used in fertilizer and cement industries and in the manufacturing of plaster of Paris.

6: Marble:

Marble is widely used in the construction industry. High grade marble in various colors white, green, brown and ash color is found at various locations e.g. Swat, Mardan, Nowshera, and Malagori near Warsak in Khyber Pakhtunkhwa and Chinai in Balochistan have important deposits of marble. Mohmand and Bajaur Agencies have also important deposits of this mineral. Marble is also an important export of Pakistan.

7: Carbonate:

Carbonate – which is widely used in construction and in the cement and glass industries, is found at many locations in Pakistan. Some of the important among these include Kohat, Margalla, Taxila, Ranipur, Harnai, Rohri.

8: Chromite:

Chromite is found abundantly throughout Pakistan. It is used in the iron and paint industries, and in the manufacturing of photographic materials. The deposits of chromite are found at Muslim Bagh, Chaghi, and Kharan in Balochistan and at Charsadda and Malakand in Khyber Pakhtunkhwa. There are also important deposits of this mineral in North Waziristan.

9: Salt:

Khewra, Bahadur Khel, and Jatta have vast deposits of salt. Salt is also obtained from sea-water in the coastal areas of Balochistan.

10: Sulphur:

Sulphur is widely used in chemical industries like the manufacture of explosives. Balochistan has vast deposits of Sulphur ores. It is also found in Mardan and Jaccobabad. There are factories for extracting sulphur from these ores in Queta and Karachi.

11: Copper:

Sandak and Chaghi in Balochistan have important deposits of copper. Recently, vast deposits of this important mineral resource have been discovered at Recodik, also in Balochistan.

Apart from the manufacture of wire used in electrical appliances, copper is also widely used in the manufacture of household utensils and in the minting of coins.

The Importance of Agriculture in the Economy:

Agriculture continues to be the most important sector of Pakistan's economy because around 65 percent of the population is directly or indirectly associated with it.

Apart from directly fulfilling the country's food needs, agriculture also facilitates livestock-raising, which in turn contributes to meeting the country's food needs.

In Pakistan, the agriculture sector contributes to the country's Gross Domestic Product by 32 percent and to the foreign exchange by 45 percent.

Agricultural Land

Pakistan's Agricultural Potential:

A large portion of Pakistan's plains is irrigated by an excellent irrigation system of the waters of the river Indus and its tributaries. The silt brought by these waters constantly renews the land's fertility. The plains of the Indus river basin are among the most fertile in the world. The climate is also favorable to vegetation. Few regions in the world are more suitable to agriculture than these plains. No wonder, these plains are cultivated intensively.

But the share of cultivable land in the total area of the country is only around 38 percent, of which only 24 percent is actually under cultivation. If the remaining 62 percent is made cultivable the economy will grow tremendously.

Of the total irrigated land of the country around 70 percent is irrigated through irrigation canals while the remaining 30 percent is irrigated through tube-wells and wells. Pakistan has many reserves and glaciers. If the water is used properly, agriculture will grow tremendously.

Causes for Low Agricultural Produce in Pakistan:

Following are the main causes for Pakistan's low agricultural produce:

1: Traditional Farming Methods:

Lack of awareness of modern agricultural practices has kept a vast majority of the farmers to use old farming methods due to which the per acre produce is low. This causes loss not only to the farmers but the economy of Pakistan also.

2: Lack of Financial Resources:

Majority of the population of Pakistan is poor and attached with agriculture. Due to poverty, they cannot afford fertilizer, seeds and use of modern technology.

3: The Continual Division of Land:

Due to the prevailing inheritance patterns in the country, agricultural land is continually divided among the inheritors from generation to generation. This results in ever smaller pieces of lands which make them unsuitable for mechanical farming. The country has to bear the loss.

4: Shortage of Cultivated Land:

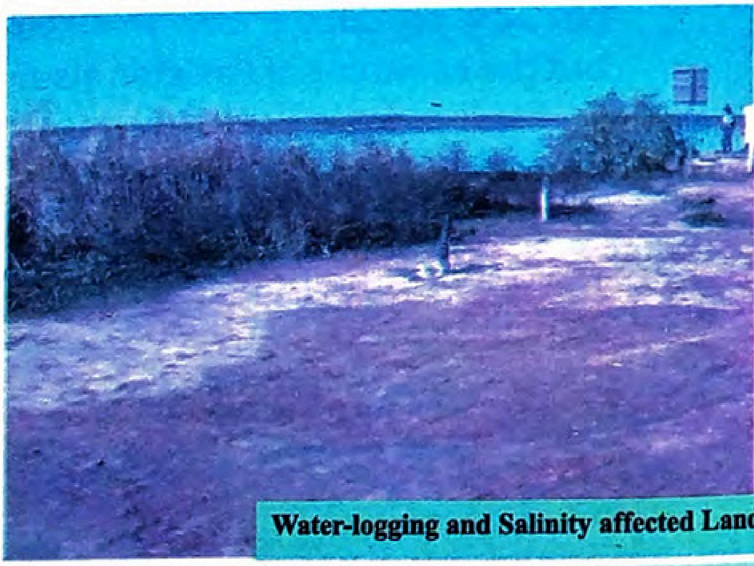
The constantly expanding population of the country as a whole results in the shortage of land in that much agricultural land is constantly turned into residential areas.

5: Crops Diseases:

In Pakistan a large percentage of crops are annually attacked by pests. Pesticides are costly and the farmers cannot buy them. So a large portion of the crops is destroyed by these pests.

6: Water-logging and Salinity:

In Pakistan, each year a certain fraction of agricultural land is rendered uncultivable by water-logging and salinity.



Water-logging and Salinity affected Land

7: Lack of Education in Agricultural Sciences:

Besides poverty, lack of education in modern agricultural sciences is an important hurdle in the growth of agricultural productivity. The farmers are unaware of the modern agricultural techniques. That is one of the reasons that there is no growth in agricultural produce.

8: Shortage of Water:

Although irrigation system is present in some areas, but still there are areas where there is scarcity of water and farmers face difficulty.

9: Lack of Agricultural Research:

The number of educational institutions and research stations dedicated to agricultural sciences is not sufficient to cater to the needs of the nation. Also insufficient are the resources allocated to these facilities.

Steps for Increasing the Country's Agricultural Produce:

Pakistan's vast plain areas consisting of the upper and lower Indus river basins are among some of the world's most fertile lands. The rest of the cultivated land, too, is very fertile. The following measures can help, improve the country's agricultural output:

1: Salinity Control and Land Reclamation:

Water-logging and salinity control projects can help land reclamation and thus increase the area under cultivation.

2: **Absentee Landlordism:**

Hundreds of thousands of acres of cultivable land owned by landlords who have no interest in farming it remains uncultivated or under-cultivated. Bringing these lands under cultivation will increase the volume of agricultural output of the country.

3: **Land Reforms:**

Land reforms can motivate the farmers to work with greater zeal.

4: **Agricultural Education:**

Government can start programme wherein the farmers can be educated in agricultural resources and pest control etc. Agricultural Research has to be established for better yield, which can certainly help to improve agricultural productivity.

6: **Chemical Fertilizers:**

The timely availability and lower costs of fertilizers would make the use more widespread and thus increase land productivity in agricultural goods. It is needed to control the price of fertilizers.

7: **Irrigation:**

The resolution to the problem of water shortages by building new tube-wells and small dams will improve the conditions. A certain expansion of agricultural output would be an outcome.

8: **The Provision of Loan Facilities.**

The Government can pursue more energetically its program of agricultural loans while at the same time making it more flexible

9: **The Provision of Modern Agricultural Machinery:**

The use of modern industrial machinery can quickly bring uncultivated lands under cultivation. Mechanization will also increase agricultural productivity of lands already under cultivation.

10: **Flood Control:**

By building new dams, not only agricultural land losses can be prevented, but also the water held in these reservoirs can be used for irrigation during dry season.

Means of Irrigation:

Water resources are very unevenly distributed throughout the country. While at some places these are found in abundance, others lack it almost completely. The rate of rainfall varies greatly. While in the north western mountainous regions it is high, in the plain it is dry.

The Irrigation System:

Most of the cultivated land in the country is irrigated either through canal irrigation system or tube-wells.

The Canal System:

Pakistan's canal irrigation system is among the most important in the world. The network of dams, barrages, head-works and the canals and water channels flowing from them expands in many regions of the Khyber Pakhtunkhwa, Punjab, and Sindh provinces. The irrigation network operates on a very limited scale in Balochistan. Around 70 percent of the total cultivated area of the country is irrigated through canal irrigation system.

Tube-Wells:

The number of irrigation tube-wells operating in the country is in the tens of thousands. In areas of Sindh and Balochistan where there are no perennial water flows, efforts are being made to install new tube-well for irrigation purposes. Government introduce and enocurage solar system for tube-wells.

Tube-Well

Wells:

The practice of using animal power for drawing water from wells for irrigation is still in place in some parts of the country. Wherever the water level is high wells have been dug and its water is used for irrigation.

Karez:

Karez is the name given to the method of irrigation practiced in parts of Balochistan whereby groundwater reserves are drawn out through underground canals. The Karez system begins at an elevated place and runs down to lower plains.

Because of the dwindling groundwater resources, this method is falling into disuse.

Barrages:

Building barrages on rivers and diverting the flow of their waters through canals is an important method of irrigation in the country. Many great barrages have been built on various rivers like those at Chashma, Kalabagh, Taunsa, Gaddu, and Kotri on the river Indus. Barrages at the rivers Jehlum and Chenab are also a source of irrigation water. Because of these barrages many of the barran lands of the country have become fertile and productive.

Dams:

There are many dams in Pakistan catering to the country's irrigation needs which at the same time are used for power generation. The three largest among these are Tarbela Dam, Mangla Dam, and Warsak Dam.

Pakistan's Major Crops:

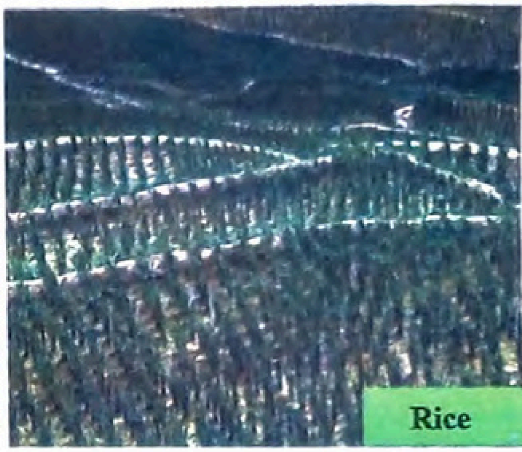
1: Wheat:

Wheat is the country's most important crop. It is the staple food of the people of Pakistan. No other crop is grown as extensively in Pakistan as wheat. It is grown throughout the country, mostly in irrigated plain areas and on a small scale in the *barani* (arid) areas. Potohar is also a wheat growing area.

Wheat

2: Rice:

Rice is one of Pakistan's main food crops. The country is not only self-sufficient in its rice production but also an important exporter of high quality rice in the world. Much of the rice produced in the country is grown in the warm plains of Punjab and Sindh. It is also grown in the mountainous regions of Khyber Pakhtunkhwa and the Northern Areas



Rice

3: Cotton:

Cotton is an important crop and a huge source of the country's foreign exchange. Cotton is mostly grown in the southern plains of the Punjab and in Sindh.

Cotton

4: Sugarcane:

Sugarcane is grown in warmer climates with enough irrigation water. It is grown widely in the Punjab, Sindh and Khyber Pakhtunkhwa.

5: Maize:

Maize is an important crop of the country used as staple food source in many rural areas. Parts of the maize crop which are not edible for humans are fed to livestock. Maize, or corn, is also used in the manufacture of edible oil. It is grown in most of the regions in Pakistan and Azad Kashmir.

Maize

6: Tobacco:

Tobacco is one of Pakistan's most important cash crops. Around 75 percent of the tobacco crop is produced in the Khyber Pakhtunkhwa and about 25 percent in the Punjab.

7: Pulses:

Various kinds of pulses such as *Chana* (Gram), *Massoor,* (red Lentil) *Mong* (Green gram) and *Mash* (Yellow Lentil) etc. are grown in the *barani* areas of Punjab, Sindh, and Southern districts of Khyber Pakhtunkhwa.

Livestock Resources:

Livestock keeping and raising is an important economic activity of the people in arid and semi-arid regions of the country. Domestic animals such as cows, buffaloes, sheep and goats provide milk and meat. While other domestic animals like camels, mules, donkeys, horses, and bulls are used as a means of transportation.

Poultry farming, which is also included within the domain of livestock business, has undergone a tremendous growth in recent years. The introduction of industrial methods and the increasing immunization of poultry have led the country not only to gain self-sufficiency in this sector but also to export poultry products to the Middle East.

Livestock Animals

Fishing:

Due to its importance the government has established a Fishery Department and Fishing Port in Karachi. Various plans have been made in the coastal areas, lakes, dams and barrages in Balochistan for the promotion of fishing. Besides, many ponds have been made for fishing throughout the country. Surplus fish is exported and is a source of earning foreign exchange.


Fishing

Industries:

The Role of Industries in National Economic Development:

Industries add value to raw material and thus generate capital and contribute to the national wealth, for example, by processing cotton into cloth.

By raising the country's Gross Domestic Product (GDP) and helping create employment opportunities, industrialization paves the road for the betterment of life standard.

Industry is at the base of a nation's economic power. And economic power translates easily into political and military might.

Recognizing the importance of industries, the government has been taking various steps to facilitate industrialization right from the beginning. The establishment of Pakistan Industrial Board (1948), Pakistan Industrial Investment Corporation (1949), Pakistan Industrial Development Corporation (1952) and Pakistan Industries Development Bank are examples in this regard.

Cottage and Small Scale Industries:

Cottage and Small Scale Industries refer to those industries that rely more on labour than on machines. These industries play a major role in the country's economic life. Apart from meeting the needs of the local and domestic markets, this sector also contributes to the foreign exchange reserves through export trade.

Some of the important industries falling under this category are carpet industry, metalwork, hosiery, shoes, sports goods, surgical instruments, plastic goods, carpentry, and leather goods.

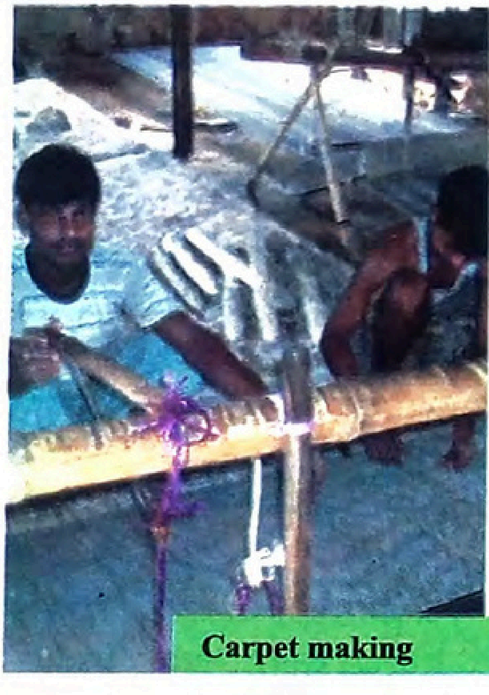
It is estimated that around 80 percent of industrial labour force is employed in cottage and small scale industries. Yet the contribution of these industries to the GDP is only around 2.5 percent, which is small given the large number of human resources engaged in them.

Larger Industries:

Larger industries demand not only large financial resources but a supporting physical infrastructure like communication network, power supply, water supply, telecommunications, access to raw materials and trained labour and professional staff.

Industrial growth is possible wherever these resources are present. Government has established big industrial zones throughout Pakistan to promote industry.

Pakistan's larger industrial sector includes textile, sugar, edible oil, fertilizers, cement, leather shoes, iron and steel, heavy machinery, chemical, oil refineries, and petroleum industries.



Carpet making

Sources of Energy:

Natural gas, petroleum, coal and hydroelectric power are the major sources of energy in Pakistan, meeting around 65 percent of the country's energy needs. The remaining 35 percent are provided by the traditional means of burning wood and biomass.

Natural gas, crude oil, coal and fissile materials (like uranium) used in nuclear power plants are all scarce, non-renewable resources, mainly are used for machines, factories and vehicles. Water, wind, and the sun are inexhaustible and renewable sources of energy.

Thermal and Hydro-Electric:

Electricity defines the modern world. Apart from being essential part of everyday life in modern times, it fuels the economy.

Around two-thirds of Pakistan's electricity generation is accomplished by burning gas, coal, or petroleum in thermal power plants. Around 70 percent electricity is thermal. In distirct Thar Parker a thermal power plant is being built, where the cost of electricity will be low but it will pollute the environment.

Electricity produced by water is called hydroelectric. Around 30 percent of electricity is hydro electricity. For this purpose, huge power-houses have been established at Tarbela, Mangla, Warsak, Dargai and Ghazi Barotha. The cost of installing power-station is greater whereas the expenditure on electricity generated by them is quite low. Besides, they do not cause air pollution.

Natural Gas:

Natural gas was discovered in the country for the first time at Sui in Balochistan. This was during 1950–52 while actually digging for the exploration of crude natural oil in the area. The natural gas at Sui is easily accessible, lying at around 4,000 feet below the surface of the earth. The Sui gas fields continue to meet a large share of the country's needs of natural gas.

Apart from its use in households, natural gas is widely used in transportation and industries, particularly in the manufacture of fertilizers and thermal power stations. Most of the gas in Pakistan is obtained from Sui in Balochistan.

Coal:

Coal continues to be one of the country's major mineral resources. Most of the coal found in Pakistan is not of high grade. It is used largely in bricks manufacturing and cement industries.

Coal is found at various locations throughout the country. Coal deposits at Thar in Sindh are estimated to be around 175 billion ton.

Petroleum:

Progress in modern world depends on petroleum. All the modern means of the transportation and factories will stop if there is no oil.

Pakistan's domestic production of petroleum is insufficient to meet the country's consumption needs.

There are significant reserves of this mineral resource in the country, particularly at Attock, Rawalpindi, Jehlum, Dera Ghazi Khan and Badin. In view of the great importance of petroleum in the national economy, exploration of new reserves of this precious resource in the country is going on, including in the country's territorial seas.

There are oil refineries in Karachi, Hub, Multan, Rawalpindi, and Attok.

Solar Energy:

Because the world's oil, gas, and coal resources are finite and their increasing use is fast depleting their reserves, the world's energy crisis is bound to deepen if dependence on these natural resources is not reduced.

The development of solar energy is one means to reducing dependence on the fossil fuels. There are many electronic devices such as calculators, wall clocks, radios etc. running on solar energy.
Solar power plants can be constructed for power generation. (The mechanism involves large lenses concentrating sunlight on water in large boilers, boiling the water and thus generating steam which runs a turbine which in turn generates electric power. It is also possible to use the steam for running heavy machinery rather than a turbine for power generation.)
While ideally located for the exploitation of solar energy, little efforts have been made by the country in this regard. This is largely because the technology for utilizing solar energy is currently very expensive.
A small power station operating on solar energy is currently under operation in Okara.

Nuclear Energy:

Pakistan has energetically pursued its ambition of using nuclear power for peaceful purposes. The country has a 137 megawatt nuclear power station at Karachi. Another at Chashma in Mianwali has the capacity of generating 300 megawatts of electric power. At this same location, another nuclear power plant is under construction.
The Pakistan Atomic Energy Commission is the country's prime institution responsible for the development of nuclear energy in the country.
After achieving the technology for uranium enrichment, the country has also succeeded in various other processes necessary for nuclear power production. After the acquisition of nuclear reprocessing plant, the country will be on the path to self-sufficiency in the field of nuclear fuel.

Exports and Imports:

Sale and purchase of commodities is called trade. No country in the world is self-reliant in meeting all its needs. All the countries of the world are to varying degrees interdependent on each other. Those things which are surplus in country are exported while those which are needed in the country are imported.

Exports play an important part in a country's economy. The more the exports the greater foreign exchange reserves.

A country's balance of trade, which is a statement of the value of a country's total imports in relation with the value of its total exports, is an important indicator of its economic health.

Pakistan's Major Exports:

Pakistan is basically an agricultural country and most of its export belongs to agricultural products.

Both agricultural and industrial goods play a part in Pakistan's export trade. Some of the more important exports of the country include cotton, cloth, garments, woolen products, rugs, leather goods, sports goods, surgical implements, fish, rice, vegetables and fruits.

Pakistan major export markets include Saudi Arabia, Dubai, the European Union, United Kingdom, United States, Japan, Hong Kong, and various other countries in Asia and Africa.

Pakistan's Major Imports:

Pakistan's major imports include automobile and automobile parts, chemicals, fertilizer, medicines, machinery, iron, petroleum, industrial raw material, stationery, cooking oil, tea, weapons and defense technology.

Pakistan's major import markets include China, Japan, United States, Kuwait, United Kingdom, European Union, Saudi Arabia, Malaysia, and various Asian and African countries.

Balance of Trade:

A Country's balance of trade is a statement of the total value of its exports in relation with the total value of its imports.
As the value of our imports is larger than the value of our exports, our country is said to have a trade deficit.
Pakistan has a long history of deficit in its balance of international trade. This has led the country to constantly borrow for bridging the deficit.
The deficit can be reduced by either decreasing the imports or by increasing the volume of exports which can be achieved by expanding national production capabilities and enforcing stringent quality controls. Pakistan consulates abroad can play important role in promoting exports.

Poverty:

Poverty can be formally defined as the state or standard of life in which individuals live on less than a specified per capita income. People who live under poverty have not enough to meet their basic needs like food, clean drinking water, shelter, education, basic healthcare.
Some of the reasons for this have been given as:

1: Unjust Distribution of Wealth:

A large share of the national wealth is owned by a very small percentage of the population. This means that the poor become poorer and the rich richer. Influential people own the economy of the country.

2: **Feudal System:**

Because most of the land of the country is concentrated in the hands of the small feudal class, majority of the people have no or little land to toil. This leads them to live a life of poverty and destitution.

3: **Illiteracy and Lack of Education:**

There is lack of eduction in the society. Illiteracy and the lack of education are impediments that are keeping the poor from coming out from poverty.

4: **Industrial Underdevelopment:**

Pakistan's industrial sector is far less developed than it is capable of. Due to various reasons many industrial units in the country are lying in disuse. This leads to the deepening of the problem of unemployment in the country with the resulting growth in the number of poor in the country.

5: **Unemployment and Underemployment:**

Industrial underdevelopment is a cause of growing unemployment in the country. Owners and labourer quarrel. By preventing modernization and the optimal employment of human resources in the economic system, all these factors are directly or indirectly contributing to the presence of poverty in society. Majority of the people are under employed as compared to their capacity. This, in turn, is responsible for the growth of poverty.

6: **Reliance on Agriculture:**

Agriculture accounts for around 65 percent of the country's labor force. Agriculture is undeveloped so the people associated with it remain poor.

The Effects of Poverty:

1. That the poor are not capable of meeting their basic needs like food, clean drinking water, shelter, so they develop feelings of deprivation. People start stealing and looting and the country becomes lawless.
2. Because of poverty people can not afford health facility.
3. Because of poverty people become mental patients and start drug abuse.
4. Because of the unrest in people there is no political strength in the country.
5. Many social evils emerge out of poverty.

Measures for Poverty Eradication:

The following measures can help achieve the goal of poverty eradication.

1: Education:

The provision of quality education to the nation must be among the top priorities of the state, as education is in true sense the key to progress. An educated person can harness his/her mental and physical abilities, which not only helps in getting employment but contributes in many ways to the social, economic and political development of nation.

2: Industrialization:

The building of new industrial units and the rehabilitation of those lying in disuse (the sick industrial units) by the government and the rich people will help create new jobs, contribute to the growth of the national wealth, and thus reduce poverty.

3: **Agricultural Reforms:**
Government should implement the agricultural reforms on sound footings providing ownership to the peasant so that he may work whole heartedly for breaking loose his chains of poverty.

4: **Overseas Employment:**

The state should facilitate the employment of its citizens in other countries. The remittances they send back will help to improve the condition of their relatives back home.

5: **Smuggling and corruption**

By eliminating corruption, smuggling and bribery, the government can reduce inflation and thus lessen poverty.

Pakistan's Major Ports:

The Karachi Port:

The Arabian Sea is in the south of Pakistan and is the northern part of Indian Ocean. The Arabian Sea has been a lifeline of international trade since the middle ages.
Karachi Port is the oldest in Pakistan. It is one of the important ports in the region, catering to the needs of international trade between the country and the rest of the world. It has also great potential to be used by Afghanistan and the Central Asian Republics as their gateway to the world, using Pakistan as a transit for their international trade.

Muhammad Bin Qasim Port:

In view of Pakistan Steel Mills and the country's growing international trade, a new port, the Muhammad Bin Qasim Port, was built some 35 kilometers west of Karachi.

Muhammad Bin Qasim Port

Gwadar Port:

Gwadar Port in Balochistan was built with Chinese co-operation. With the passage of time this port is anticipated to assume an ever-greater role in the country's international trade and development.

Apart from these three major seaports, there are small ones at Ormara, Pasni, and Jeevani. These ports are basically large fish markets.

Dry Ports:

Dry Ports play an important role in the economy. Goods from sea ports are brought inland in containers on road or railways for unloading at dry ports.

The Lahore Dry Port, which was built in 1974 at the railways depot, is the most important in the country. Other Dry Ports in the country are at Rawalpindi, Peshawar, Sialkot, Faisalabad, Multan, Quetta, and Haiderabad.

Facilitating the expansion of railway to the Dry Ports in the country and handing them to private sector will be very beneficial for the transportation of goods.

Exercise

I: Choose the right answer to the following questions:

1) When did economic planning begin in Pakistan?

   A. 1950 B. 1952
   C. 1953 D. 1955

2) What percentage of the country's crude oil needs does Pakistan import?

   A. 75 B. 80
   C. 85 D. 90

3) What percentage of the total natural gas consumption in the country goes into the manufacture of fertilizers?

   A. 29 B. 24
   C. 33 D. 37

4) What is the percentage of the country's national population engaged in agriculture?

   A. 51 B. 65
   C. 70 D. 75

5) What percentage of the country's total electricity generation is hydro-generated?

   A. 30 B. 38
   C. 47 D. 49

6) Which of the following sources of energy is renewable?

A. Water B. Crude Oil

C. Uranium D. Natural Gas

7) What is the exchange of goods called?

A. Industry B. Imports

C. Exports D. Trade

8) In which province was gas first discovered?

A. Khyber Pakhtunkhwa

B. Balochistan

C. Sindh

D. Punjab

9) In which province is the Karez method of irrigation practiced?

A. Balochistan

B. Punjab

C. Khyber Pakhtunkhwa

D. Sindh

10) Which of the following cities has a solar power station?

A. Lahore

B. Quetta

C. Okara

D. Faisalabad

II: Write short answers to the following questions.

1) Write a note on Mineral Oil (Crude Oil)

2) Write notes on the following

i. Natural Gas

ii. Coal

iii. Agriculture

3) What are the sources of irrigation in Pakistan? Describe briefly.

4) What industries are included in the cottage and small scale industries?
5) What is meant by imports? What are Pakistan's major imports?
6) What is meant by exports? What are Pakistan's major exports?
7) Write a note on Pakistan's major sea ports.

III: Give comprehensive answers to the following questions.

1) Write a note on Pakistan's mineral resources
2) Enumerate the causes of low agricultural production in Pakistan. Which steps are being taken to promote production in the agricultural sector of the national economy?
3) Which crops are grown in Pakistan? Describe in detail.
4) Describe the role of industries in national economic development. Give an account of the country's small and large industries.
5) What is meant by sources of energy? Describe different sources of energy.

Activity

- Chart out the diagrams of various crops grown in the country and put them on the wall of your classroom.
- Arrange an essay-writing competition on the Role of Industries in the Country's Economic Development.