ECO610 Midterm Q/A by AC 03222254114

Module 1: Structural Transformation

1. What was the key indicator that highlighted the extraordinary structural transformation of Pakistan over time?
Answer: The huge transformation in economic, social, and political power from the agriculturist towards an urban and rural middle class.

2. What was the contribution of the agriculture sector to GDP at the time of independence?
Answer: The agriculture sector contributed 53% to GDP, with 65% of the labor force involved.

3. What was the contribution of the agriculture sector to GDP today?
Answer: The agriculture sector contributes 19.5% to GDP, with 42.3% of the labor force involved.

4. What was the contribution of the manufacturing sector to GDP at the time of independence?
Answer: The manufacturing sector contributed 7.8% to GDP at the time of independence.

5. What was the contribution of the services sector to GDP today?
Answer: The services sector contributes 59.59% to GDP today.

6. What was the population of Pakistan at the time of independence compared to today?
Answer: Pakistan today is less than half the size of the country it was in 1947, as 55% of the population lived in East Pakistan.

7. What was the focus of economic policy-making during the Decade of Development (1958-1968)?
Answer: The focus was on creating a model capitalist economy with considerable economic growth.

8. What was the impact of the 1965 war on Pakistan's economy?
Answer: The 1965 war led to economic and political tensions growing between the two wings of Pakistan.

9. What was the key policy success during the Laying the Foundations period (1947-1958)?
Answer: The key policy success was the emphasis on industrial growth, which led to a 34% growth in the manufacturing sector from 1952 to 1954.

10. What was the key policy failure during the Laying the Foundations period (1947-1958)?
Answer: The key policy failure was the decline in the agricultural growth rate from 1951 to 1958.

Module 2: Agriculture Sector of Pakistan

1. What was the impact of British colonialism on the agriculture sector in Pakistan?
Answer: British colonialism had a significant impact on the agriculture sector in Pakistan.

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2. What was the status of the agriculture sector in Pakistan before British rule?
Answer: Before British rule, the agriculture sector in Pakistan was predominantly feudal in nature.

3. What was the impact of the Green Revolution on the agriculture sector in Pakistan?
Answer: The Green Revolution led to significant technological breakthroughs and increased productivity in the agriculture sector.

4. What were the key issues faced by the agriculture sector in Pakistan?
Answer: Some of the key issues faced by the agriculture sector in Pakistan include land reforms, water management, and low productivity.

5. What was the role of the feudal system in the agriculture sector of Pakistan?
Answer: The feudal system had a significant impact on the structure and ownership patterns in the agriculture sector.

6. How did the land reforms in Pakistan affect the agriculture sector?
Answer: The land reforms in Pakistan aimed to address the issues of land ownership and distribution, but their effectiveness has been debated.

7. What was the contribution of agriculture to the GDP of Pakistan at the time of independence?
Answer: At the time of independence, the agriculture sector contributed 53% to the GDP of Pakistan.

8. How did the partition of India affect the agriculture sector in Pakistan?
Answer: The partition of India led to significant disruptions and displacements in the agriculture sector, as many farmers were forced to relocate.

9. What was the impact of the Indus Water Treaty on the agriculture sector in Pakistan?
Answer: The Indus Water Treaty was an important milestone that helped address water management issues in the agriculture sector.

10. How did the British colonial policies affect the technological development in the agriculture sector of Pakistan?
Answer: The British colonial policies had a mixed impact on the technological development in the agriculture sector, as they introduced some modern techniques but also reinforced the feudal system.

Module 3: Industrial Sector of Pakistan

1. What were the four phases of industrial development in Pakistan?
Answer: The four phases of industrial development in Pakistan were: 1947-1958, 1958-1968, 1969-1977, and 1977-1988.

2. What was the key focus of the first phase of industrial development (1947-1958)?
Answer: The key focus of the first phase was on building an economic base through the state sector and emphasizing industrial growth.

3. What was the key characteristic of the second phase of industrial development (1958-1968)?
Answer: The key characteristic of the second phase was the considerable economic growth and the focus on creating a model capitalist economy.

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4. What was the impact of the 1965 war on the industrial sector of Pakistan?
Answer: The 1965 war led to economic and political tensions between the two wings of Pakistan, which had an impact on the industrial sector.

5. What were the key issues faced by the industrial sector in Pakistan?
Answer: Some of the key issues faced by the industrial sector include structural adjustment, privatization, and lack of competitiveness.

6. How did the structural adjustment programs affect the industrial sector in Pakistan?
Answer: The structural adjustment programs had a significant impact on the industrial sector, as they involved privatization and market-oriented reforms.

7. What was the role of the state in the industrial development of Pakistan during the different phases?
Answer: The role of the state varied across the different phases, ranging from a focus on building an economic base through the state sector to privatization and market-oriented reforms.

8. How did the political instability in Pakistan affect the industrial sector?
Answer: The political instability in Pakistan, including military regimes and changes in government, had a significant impact on the industrial sector and its policies.

9. What was the impact of the import substitution industrialization strategy on the industrial sector of Pakistan?
Answer: The import substitution industrialization strategy, adopted during the early phases, led to the growth of the manufacturing sector but also created some challenges in terms of competitiveness and export orientation.

10. How did the foreign direct investment (FDI) trends affect the industrial sector in Pakistan?
Answer: The trends in foreign direct investment, both in terms of inflows and policies, had a significant impact on the industrial sector's development and competitiveness.

Module 4: Public Finance and Fiscal Policy

1. What was the structure of the government in Pakistan during the period under study?
Answer: The structure of the government in Pakistan involved a federal system with provincial and local governments.

2. What was the structure of the taxation system in Pakistan?
Answer: The structure of the taxation system in Pakistan included both direct and indirect taxes, with issues related to tax collection and administration.

3. What were the key issues in the taxation system of Pakistan?
Answer: Some of the key issues in the taxation system included low tax-to-GDP ratio, tax evasion, and inequitable distribution of the tax burden.

4. What were the trends in Pakistan's fiscal deficit during the period under study?
Answer: Pakistan faced persistent fiscal deficits throughout the period, which contributed to the accumulation of domestic and foreign debt.

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5. How did the domestic and foreign debt crises affect Pakistan's public finance?
Answer: The domestic and foreign debt crises had a significant impact on Pakistan's public finance, leading to the need for structural adjustment and IMF programs.

6. What was the role of the IMF and structural adjustment programs in Pakistan's public finance?
Answer: The IMF and structural adjustment programs played a significant role in shaping Pakistan's public finance and fiscal policy, often with mixed results.

7. How did the political instability and changes in government affect the fiscal policy in Pakistan?
Answer: The political instability and changes in government had a significant impact on the continuity and effectiveness of fiscal policies in Pakistan.

8. What were the key reforms undertaken in the public finance and taxation system of Pakistan?
Answer: Some of the key reforms included efforts to broaden the tax base, improve tax administration, and manage the fiscal deficit and debt.

9. How did the regional disparities in economic development affect the public finance and fiscal policy in Pakistan?
Answer: The regional disparities in economic development, particularly between the two wings of Pakistan, had implications for the distribution of resources and the effectiveness of fiscal policy.

10. What was the impact of external factors, such as global economic conditions and foreign aid, on Pakistan's public finance and fiscal policy?
Answer: External factors, such as global economic conditions and the inflow of foreign aid, had a significant impact on Pakistan's public finance and fiscal policy, often shaping the country's economic trajectory.

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