

Women and the Informal Economy of Pakistan

By: *Mahrugh Batool*

Women have long been undervalued and excluded from the formal economy in Pakistan which forces them to seek employment in the informal sector of the economy. International Labour Organization (ILO) estimates that around 70% of the informal sector of Pakistan is comprised of women.

The term "informal economy" describes economic activities that are not subject to governmental regulation or labour laws' protection. These actions frequently occur in small businesses, on the street, and in household duties. Due to a number of cultural and societal variables, women in Pakistan are disproportionately represented in the informal economy. These elements include restricted gender roles, poor employment chances, and restricted access to education.



The lack of legal protection is one of the greatest issues women in the informal economy confront. Basic rights like the minimum wage, social security, and secure working conditions are frequently denied to them. They are hence open to exploitation and abuse. Because they work in private homes and are

not protected by labour laws, domestic workers are particularly susceptible to abuse. ILO estimates that Pakistan has more than 8.5 million domestic workers, mainly women. In Punjab, only 7000 domestic workers were registered while a vast majority of domestic staff is still hired informally.

Another challenge is the lack of access to credit and finance. In the informal sector of the economy, women frequently work in small businesses and street hawking. Due to their lack of collateral or credit history, they are unable to obtain loans thus constraining their capacity to expand their business and raise their income.

Women in Pakistan's informal economy are tenacious and resourceful despite these difficulties. To help one another and fight for their rights, they have created networks and organizations. These networks give women a place to connect, exchange knowledge, and access resources. For instance, the Home-Based Women Workers Federation (HBWWF) is a network of women who primarily work in the garment industry in the unorganized sector. The federation offers its members advocacy assistance, training, and legal assistance.

The Pakistani government has made efforts recently to acknowledge and assist the unofficial economy. The government introduced the National Policy for Home-Based Workers in 2015 with the intention of defending their legal rights and offering them social security. Loans for employees in the unorganized sector were part of the government's 2020 announcement of an assistance package for small and medium-sized businesses (SMEs) hit by the COVID-19 pandemic.

The condition of women in Pakistan's informal sector has long been a source of concern, and while there have been some improvements, there are still considerable obstacles to overcome. Although there are more job options thanks to Pakistan's overall

economic growth, these opportunities haven't always translated into improved working conditions or more economic empowerment for women in the informal economy. In addition, there are still societal barriers that prevent women from pursuing economic and educational opportunities which restricts their participation in higher-paying jobs in the formal sector. It will take a comprehensive strategy to overcome these issues, one that addresses cultural barriers, enhances legal protections, and modifies societal perceptions of women's participation in the labour.

Effects of Petroleum Price Hike

By: Mohsin Iftikhar

The recent fuel hike in Pakistan has been one of the most significant economic changes in the country in recent years. As prices of oil and gas continue to rise, Pakistan has been compelled to increase fuel prices as well. This has had a direct impact on the cost of living in the country, with many households struggling to make ends meet.

The fuel hike in Pakistan has been caused by rising global crude oil prices, which have doubled since the start of 2021. This has made it difficult for the country to keep its fuel prices low, leading to the current situation. The government has also introduced taxes and duties on fuel, which has further increased the cost. The effects of the fuel hike in Pakistan are far-reaching.

The prices of all essential commodities have increased, making it difficult for families to afford them. This has had a negative impact on the economy, as people are forced to reduce their spending. Furthermore, businesses have been impacted as well, as the cost of running their operations has risen substantially. The government has taken several measures to offset the impacts of the fuel hike. These include providing subsidies to low-income households and businesses to help them cope with the increased costs. Additionally, they have increased the availability of public transport, so that more people can access essential services.

It is important to note that the fuel hike in Pakistan is likely to remain a major issue in the coming years. Pakistan's government recently announced that fuel prices have been hiked due to rising international prices.

This increase in fuel prices affects all citizens of Pakistan as it leads to a subsequent increase in the prices of essential items such as food, clothing, and transportation. The oil companies stated that the increase in fuel prices will help to recover losses incurred by them due to the hike in international oil prices.



The government has been criticised for not taking measures to cushion the blow of the fuel hike. The opposition parties have demanded to lower the tax imposed on oil and fuel in order to reduce the prices.

There have been concerns raised about the role of the Oil and Gas Regulatory Authority in the fuel hike.

The serious actions are needed to control the fuel prices, and if these are not controlled in near future, then the people of Pakistan will suffer more in terms of huge inflation.

Inflation versus Deflation: The Battle for Economic Stability

By: Sajida Batool

Prices are on the rise, and it's not just your imagination. Inflation, the steady increase of prices for goods and services, is causing concern among economists and policymakers around the world.

Inflation and deflation are two economic concepts that are constantly at odds with one another. Inflation refers to a steady increase in the general level of prices for goods and services, while deflation refers to a decrease in the general level of prices. While both inflation and deflation can have significant

impacts on the economy, many economists believe that inflation poses a greater threat to economic stability. Inflation occurs when there is an increase in the money supply relative to the amount of goods and services available in the economy. This can happen when central banks print too much money, when there is an increase in government spending, or when there is an increase in demand for goods and services. When there is too much money chasing too few goods, prices go up.

Deflation, on the other hand, can occur when there is a decrease in the money supply or when there is a decrease in demand for goods and services. While deflation may sound like a good thing, as it means lower prices for consumers, it can actually have negative impacts on the economy. When prices are falling, businesses may cut back on production, which can lead to job losses and decreased economic activity.

So, which is better for the economy: inflation or deflation? The answer is not clear-cut. Inflation can lead to decreased purchasing power for consumers, as their money is worth less. It can also lead to higher interest rates, which can make it harder for individuals and businesses to borrow money.

On the other hand, deflation can lead to decreased economic activity and job losses, as businesses cut back on production.

In recent years, many developed countries have struggled with low inflation rates. Central banks have tried to stimulate the economy by keeping interest rates low and printing more money. However, this has not always been successful, and some economists are worried that the world could be headed towards a deflationary spiral.

In conclusion, both inflation and deflation can have significant impacts on the economy. While some economists believe that a moderate level of inflation is necessary for economic growth, others believe that deflation is the greater threat.

As central banks and policymakers grapple with these issues, it remains to be seen what the future holds for inflation and deflation, and how they will impact economic stability.

Implication of Imports Ban and Downfall of Pakistan economy

By: Maaz Yousafzai

Pakistan has been facing a challenging economic situation for a long time now. In recent years, the country's economy has been struggling with a significant trade deficit, currency depreciation, and inflation. In such a scenario, the government's decision to impose a ban on imports has further worsened the economic condition of the country. The implications of this ban on imports have been disastrous, leading to a downfall in the Pakistan economy.



The ban on imports has significantly affected the country's trade and industry. Pakistan heavily relies on imports to meet its domestic needs, including raw materials, machinery, and consumer goods. The ban on imports has resulted in a shortage of goods, which has led to an increase in prices. This has adversely affected the consumer's purchasing power, and the country's inflation has reached an all-time high of 30.6% in March 2023, according to the Pakistan Bureau of Statistics.

Moreover, the ban on imports has severely impacted the country's exports, which have been a crucial source of foreign exchange for Pakistan. According to the State Bank of Pakistan, the country's exports have declined by 9.7% to \$21.48 billion in FY 2021-22 compared to \$23.80 billion in FY 2020-21. The ban on imports has disrupted the supply chain, leading to a decline in exports, and subsequently, a decline in foreign exchange reserves.

It had also an adverse impact on the country's manufacturing sector, which heavily relies on imported raw materials and machinery. The manufacturing sector contributes significantly to Pakistan's GDP, employment, and exports. The ban on imports has disrupted the supply chain, leading to a shortage of raw materials, which has adversely affected the manufacturing sector's performance. According to the Pakistan Economic Survey 2021-22, the manufacturing sector's growth rate declined to -1.5% in FY 2020-21 compared to 9% growth in FY 2019-20.

Furthermore, it has negatively impacted Pakistan's foreign investment prospects. Foreign investors prefer a stable and predictable business environment, which the ban on imports has disrupted. This has led to a decline in foreign direct investment (FDI) in the country. According to the State Bank of Pakistan, FDI declined by 36% to \$1.012 billion in 2020-21 compared to \$1.584 billion in 2019-20.

It had far-reaching implications for Pakistan's economy, leading to a significant decline in the country's trade, industry, and investment prospects. The country's economic woes are likely to persist unless the government takes corrective measures to address the issues plaguing the economy.

It is imperative that the government adopts a comprehensive approach to revive the economy, which includes addressing structural issues, promoting exports, and attracting foreign investment. Failure to do so may lead to a further decline in the economy, which could have dire consequences for the country's future.

Economic Stability is Needed Now

By: Yasir Hussain

Political stability is an essential component of a

healthy economy. When a country is politically stable, it creates a favorable environment for businesses to thrive, leading to economic growth and prosperity.

Political stability is very much important for economic growth and development in the country and when you have economic growth and stability then you can provide relief to the common man and not to shift the burden of high fuel prices. Following are the ways to foster the economy.

Attracting Foreign Investment: Political instability and unrest can deter foreign investors from investing in a country. On the other hand, a stable political environment inspires confidence in investors, who are more likely to invest in a country's economy.


Creating Business Friendly Environment: When there is political stability, businesses can plan and make decisions with more certainty. In contrast, political instability can lead to uncertainty, which makes it challenging for businesses to predict the future and plan accordingly.

Encouraging Domestic Investment: A stable political environment also encourages domestic investment. When people are confident in their country's political stability, they are more likely to invest in the local economy.

Promoting International Trade: Countries that have a stable political environment are more likely to engage in international trade.

When there is political stability, countries are more likely to establish positive relationships with other countries, leading to increased trade and economic growth. Therefore, political stability is crucial for a healthy and prosperous economy.

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