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Ethics of Economic Policy Advocacy

Navigating the Tightrope between Pakistan and IMF Programs

By Muhammad Shaban Anwar H1-K 18248

In the world of economic policy advocacy, economists often find themselves walking a fine line between presenting objective research findings and advocating for specific policy positions. Nowhere is this delicate balance more evident than in the case of countries like Pakistan, which frequently relies on International Monetary Fund (IMF) programs to address economic challenges. This article delves into the ethical challenges faced by economists engaged in policy advocacy, focusing on the complex relationship between objectivity and advocacy in the context of Pakistan's reliance on IMF programs.

The Dual Role of Economists:

Economists often wear two hats — that of researchers seeking objective truths about economic phenomena and that of advocates, pushing for specific policy measures. In the case of IMF programs in Pakistan, economists grapple with the ethical dilemma of maintaining objectivity in their analyses while simultaneously advocating for policies that align with the IMF's conditionalities.

Objectivity vs. Advocacy:

The fundamental ethical challenge lies in how economists communicate their findings. Objectivity demands an unbiased presentation of facts and a thorough analysis of potential outcomes. However, advocacy requires a certain degree of persuasion to convince policymakers and the public of the merits of a particular course of action. Striking the right balance becomes crucial to maintaining credibility and ethical integrity.

The Case of Pakistan and IMF Programs:

Pakistan has a history of turning to the IMF during economic crises to stabilise its economy through financial assistance and policy reforms. Economists engaged in the discourse surrounding these programs face the ethical challenge of objectively assessing the impact of IMF conditionalities on the country's economic landscape while navigating the advocacy needed to garner support for these measures.

Transparency and Accountability:

One key aspect of addressing ethical challenges in policy advocacy is transparency. Economists involved in advocating for IMF-backed policies must be transparent about their affiliations, funding sources, and potential conflicts of interest. This transparency is crucial in maintaining public trust and ensuring that the advocacy is based on sound research rather than external pressures.

Ethical Guidelines for Economists:

Establishing clear ethical guidelines for economists engaged in policy advocacy can help navigate the complexities of the field. These guidelines should emphasise the importance of transparent communication, disclosure of potential biases, and a commitment to unbiased research practices.

In conclusion, the ethical challenges faced by economists involved in policy advocacy, especially concerning IMF programs in Pakistan, underscore the need for a nuanced and principled approach. Striking a balance between objectivity and advocacy is essential for maintaining the credibility of economic research and fostering public trust in the policy-making process. As Pakistan continues to grapple with economic challenges, economists must uphold the ethical standards that underpin their work, ensuring that their analyses and recommendations serve the best interests of the nation.

Effects of Inflation on people's lives

By Muhammad Abdul Muqet H1-F 18621

Inflation is a sustainable increase in the price level in an economy simultaneously causing a fall in the purchasing power over a period of time. The persistent increase in price level decays the real income and drastically affects the fixed-income earners, savers, pensioners and retirees. Inflation implants uncertainty, fluctuating consumer confidence, redistributive effects and fiscal drag (bracket creep). Inflation is not always disadvantageous yet is also complemented by certain advantages including reduction in debt-burden, preventing unemployment and stimulating output. Undeniably, the fact is that inflation accompanies more drawbacks in relation to benefits

Specifically, to determine how much it affects individuals or groups depends upon its severity. It could be creeping inflation (low rate) or hyperinflation (high rate). To further classify, inflation could be demand-pull or cost-push with varying consequences. Immediate boost in aggregate demand causes demand- pull inflation, which by adjusting aggregate supply would cause economic growth while cost push inflation skyrockets the cost of production, which is long-term and vigorous in nature.

Inflation has multifaceted effects on people's lives, influencing various aspects of their decision-making, and overall economic behaviour. UK Inflation Rate is at 3.90%, compared to 4.60% last month and 10.70% last year. This is higher than the long term average of 2.83%. In compensation, CPI (consumer price index) changes its weight distribution of goods and services referring to real data in the price basket.

Ultimately, how people set their health priorities is influenced by their ability to pay for medications, doctor visits, gym memberships, and even healthy food.

Varying income groups have different economic requirements to address, economically inactive consumers spending unemployment grants are likely to downgrade consumption of normal goods to inferior goods of low quality, subsequently causing more health hazards and weaker labour force. Housing price increases or rent increases tend to get baked in more. And once they rise, they don't reverse themselves very fast, unlike, say, gas prices or food prices. This directly affects people as their consumption costs increase due to higher transportation expenditure. Inflation has put consumers in an anxious, angry mood, even as the economic data shows confounding bright spots. Regardless of the short-lived economic growth inflation inaugurates via accelerating aggregate demand, the long-term consequences pile-up to become unemployment, depression, retardation in economic activity. It emphasises upon inflation causing inflation, menu and shoe

leather costs. Cyclical unemployment causing cost-push inflation, moreover stacking economic downturn, countered by the government adjusting it by changing interest rates, money supply, foreign currency and government spending.

Government, on the other hand, benefits by removing debt-burdens, negotiates foreign loans by checking lender's conditions, through IMF (International Monetary Fund), furthermore increasing aggregate demand as people spend desperately to accumulate maximum goods in exchange for descending purchasing power parity accompanied with lower living standards. This causes imports to rise, leaving a negative net exports, as people are over-dependent upon imported products being marginally cost efficient in contrast to the locally produced goods and services due to inflation.

In conclusion, inflation has a differing sequel depending upon the real income earned and classification of goods, purchasing power and involvement of government's monetary and fiscal policy measures. Henceforth, inflation's pervasive effects stresses towards careful consideration in policy-making and financial planning.

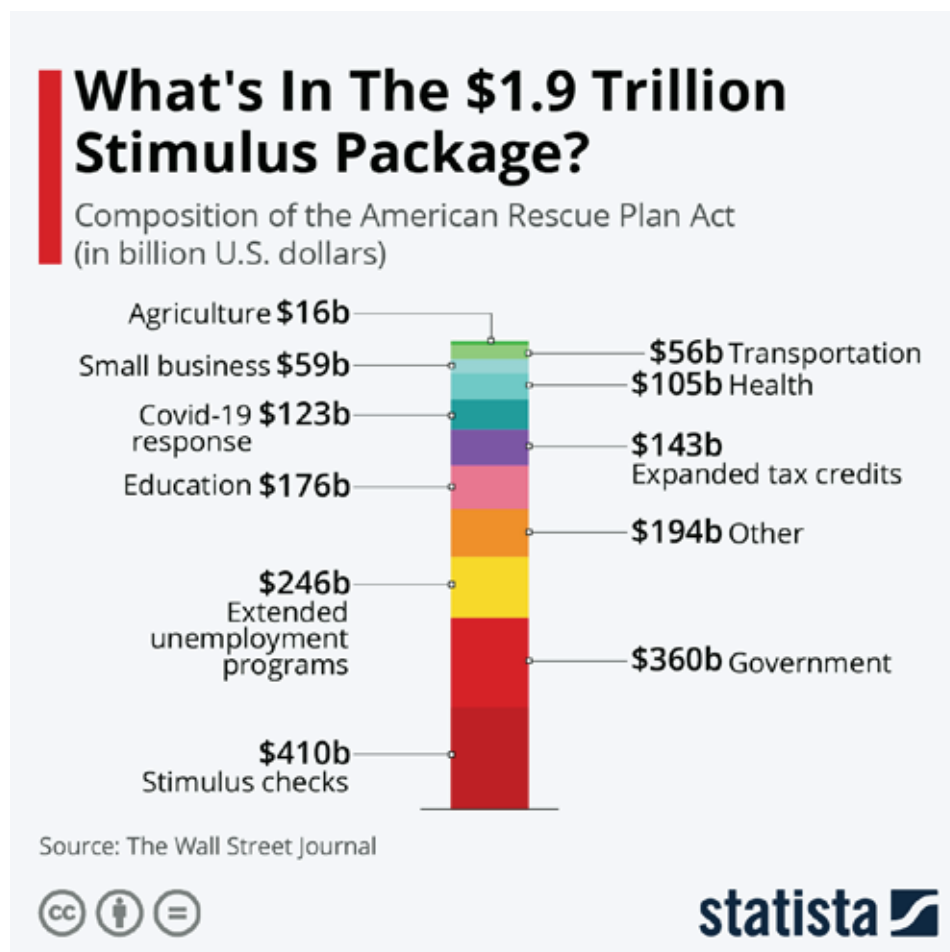
The Global Dance of Aid

Assessing the Impact of COVID-19 Stimulus Packages

By: Muhammad Ahsan Farooq C2H 18499

As the COVID-19 pandemic spread over the world, lives were turned upside down and economies faltered. Governments responded by launching an unprecedented financial ballet consisting of trillion-dollar stimulus packages meant to lessen the impact on the economy. However, in this worldwide assistance dance, how many steps landed solidly while others stumbled?

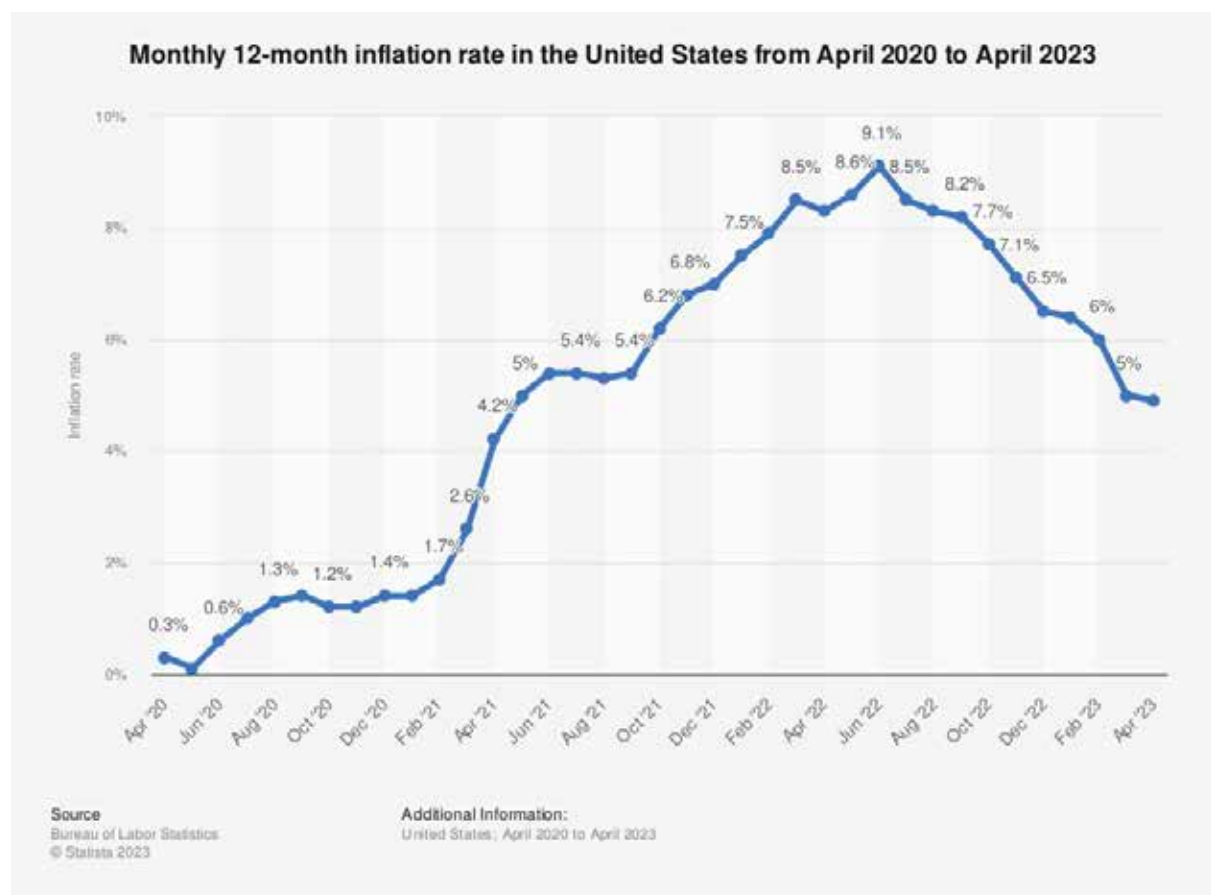
These packages were astonishing in their size. Governments provided economic lifelines in many different ways, such as direct payments to residents, unemployment benefits, loans and grants to enterprises, and support for healthcare systems. Examples of these include the \$2.8 trillion CARES Act in the United States and the \$2 trillion stimulus plan in Japan. Definitely, this quick action saved the economy from plunging even more. Research indicates that in the absence of these initiatives, the world GDP would have decreased by 8.5%.



On the dance floor, these metrics' efficacy differed, though. For instance, direct transfers were successful in boosting consumer spending and helping those in need. According to a Federal Reserve Bank of St. Louis analysis, the US GDP expanded by 6.5% in the third quarter of 2020 as a result of higher consumer spending spurred by stimulus payments.

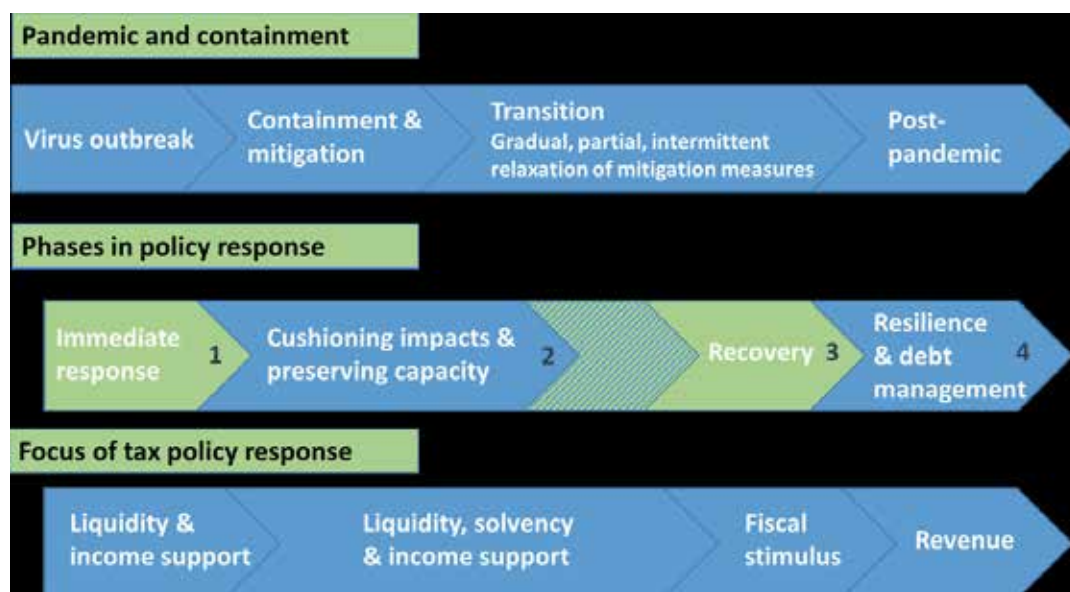
However, targeting the aid proved challenging. Small firms found it difficult to obtain loans and grants, especially in industries like leisure and hospitality, while huge enterprises, who had more access to financial resources, frequently benefited disproportionately. This made already-existing disparities worse and left a lot of small firms and vulnerable workers precariously close to collapse.

A careful examination of this financial pirouette's long-term effects is also necessary. The financial burden incurred during the pandemic has a lasting impact on upcoming spending plans. A further complicating factor is the inflationary pressures brought on by supply chain interruptions and increasing demand. Although short-term policies such as payroll tax reductions offered instant assistance, their termination may impede the progress of economic recuperation.



In addition to the merely fiscal measures, the pandemic led to a reassessment of the function of governmental action. The swift implementation of such expansive plans called into question long-held beliefs about fiscal restraint and emphasised the government's vital role in protecting its people in times of need.

But cautious thought must be given to worries about possible drawbacks, such as a greater reliance on government support and a blurring of the boundaries between the public and private sectors. It takes regular changes and policy improvements to strike a delicate dance between short-term alleviation and long-term fiscal sustainability.



This worldwide spectacle of economic help has taught us priceless lessons. Three crucial elements are necessary for stimulus packages to be effective: prompt implementation, focused actions, and a well-defined departure strategy. In order to avoid beggar-thy-neighbour practices and to guarantee a more fair global response to future crises, international cooperation and coordination are essential.

Conclusively, the COVID-19 stimulus plans provide an insightful case study of the complex interplay between economic theory, governmental action, and the welfare of people. Learning from this extraordinary economic dance will be essential to creating solutions that safeguard both budgetary prudence and livelihoods as we weather future economic storms. The future's choreography calls for a well-practised plan for long-term rehabilitation and development in addition to the necessary actions for immediate relief.

Education: The Cornerstone of Economic Transformation

By Mohsin Jalib Ali C2B 18471

Education, the cornerstone of individual empowerment and societal progress, holds the key to unlocking a nation's economic potential. It acts as a catalyst for innovation, fuels productivity, and fosters a skilled workforce capable of navigating the ever-evolving demands of the global economy. In this intricate tapestry of economic development, education plays a central role, weaving together threads of knowledge, skills, and opportunity to create a vibrant fabric of prosperity.

At the heart of education's economic impact lies its ability to build human capital. By equipping individuals with the knowledge, skills, and competencies necessary to participate effectively in the workforce, education transforms them from passive consumers to active contributors. From the literacy and numeracy skills foundational to basic employment to the advanced technical expertise required for specialised jobs, education equips individuals with the tools they need to navigate the complexities of the modern economy.

A well-educated populace is a more productive populace. Individuals equipped with relevant skills and knowledge are able to perform tasks more efficiently, adapt to changing technologies, and contribute to innovative solutions. This enhanced productivity translates into increased output and economic growth, fueling a nation's overall competitiveness in the global arena. Studies by the Organization for Economic Cooperation and Development (OECD) have shown that a one-year increase in average educational attainment across a country can lead to a 2.5% increase in GDP per capita.

Education, beyond its role in preparing individuals for existing jobs, also acts as a breeding ground for entrepreneurship and job creation. By fostering creativity, critical thinking, and problem-solving skills, education empowers individuals to identify opportunities, develop innovative solutions, and launch their own ventures. This entrepreneurial spirit fuels economic dynamism, creates new jobs, and diversifies the economic landscape. A World Bank report found that a 10% increase in literacy can lead to a 5% increase in the rate of new business creation.

Education serves as a powerful tool for breaking cycles of poverty and promoting social mobility. By providing individuals from disadvantaged backgrounds with access to quality education, it equips them with the skills and knowledge needed to secure better-paying jobs, improve their living standards, and contribute more effectively to society. This reduction in inequality not only fosters social cohesion but also expands the potential customer base for businesses, contributing to overall economic growth. Studies have shown that a 1% increase in the average years of

schooling can lead to a 1.5% reduction in the Gini coefficient, a measure of income inequality.

While the impact of education on economic change is undeniable, navigating the complexities of this relationship requires careful consideration of the challenges involved. The rapid pace of technological advancements necessitates continuous adaptation of education systems to ensure they provide individuals with the skills relevant to the evolving job market. Additionally, ensuring equitable access to quality education for all remains a critical challenge, particularly in disadvantaged communities. Closing the gender gap in education and addressing disparities in rural and urban access are critical steps towards maximising the economic potential of an entire population.

In conclusion, education stands as a cornerstone of economic transformation. By building human capital, enhancing productivity, fostering innovation, and promoting social mobility, it sets the stage for a nation's economic prosperity and inclusive growth. Recognizing its pivotal role, investing in quality education for all becomes not just a moral imperative but an essential economic strategy. As Nelson Mandela aptly stated, "Education is the most powerful weapon which you can use to change the world." By harnessing the transformative power of education, we can unlock a future where economic prosperity thrives alongside social equity and individual empowerment, weaving a brighter tapestry for generations to come.

Navigating Economic Turbulence

Understanding Global Supply Chain Disruptions

By Muizz Mustafa C1-E 21612

The contemporary global economy grapples with unparalleled challenges emanating from disruptive events that intricately affect supply chains. This article undertakes a comprehensive exploration of the pervasive impact these disruptions exert on various economic dimensions.

Delving into the complexities, it becomes imperative to identify the root causes, spanning from natural disasters to geopolitical tensions. This underscores the vulnerability of the interwoven global supply networks, revealing susceptibilities that demand strategic mitigation.

The reverberations of supply chain disruptions echo through diverse sectors, intricately impacting manufacturing, retail, and services. This underscores the intricate interdependence characterising the modern global economic landscape.

A consequential outcome is the reshaping of labour markets, propelled by factory closures and transportation bottlenecks. This dynamic transformation introduces challenges in employment, talent acquisition, and workforce management.

Beyond the operational sphere, supply chain disruptions trigger substantial financial shocks. The repercussions are felt in company revenues, stock markets, and the broader investment landscape, constituting a significant economic aftershock.

An emerging imperative is the role of technology in mitigating disruptions. This emphasises the pressing need for digital transformation and agile technological infrastructures to fortify economic entities against future uncertainties.

Supply chain disruptions prompt a thorough reassessment of global trade dynamics. This reevaluation, necessitated by the disruptions, initiates a transformative process leading to a reconfiguration of international economic relationships and trade routes.

Small businesses find themselves bearing a disproportionate burden in the wake of supply chain disruptions. Struggling to navigate these challenges, they face significant threats to their resilience and, in some cases, even their survival.

Governments worldwide respond with a suite of policy interventions designed to counterbalance the economic impacts of supply chain disruptions. Stimulus packages, trade agreements, and targeted policies become integral components of the response repertoire.

As economies grapple with the aftermath, a critical reassessment of supply chain strategies becomes paramount. The focus shifts towards fostering flexibility, diversification, and resilience to lay the foundation for a more robust and adaptive global economic future.

In conclusion, comprehending the intricate and multifaceted impact of global supply chain disruptions is imperative. This understanding serves as a linchpin for formulating resilient strategies, fostering economic recovery, and ultimately ensuring the emergence of a more adaptive global economic landscape.

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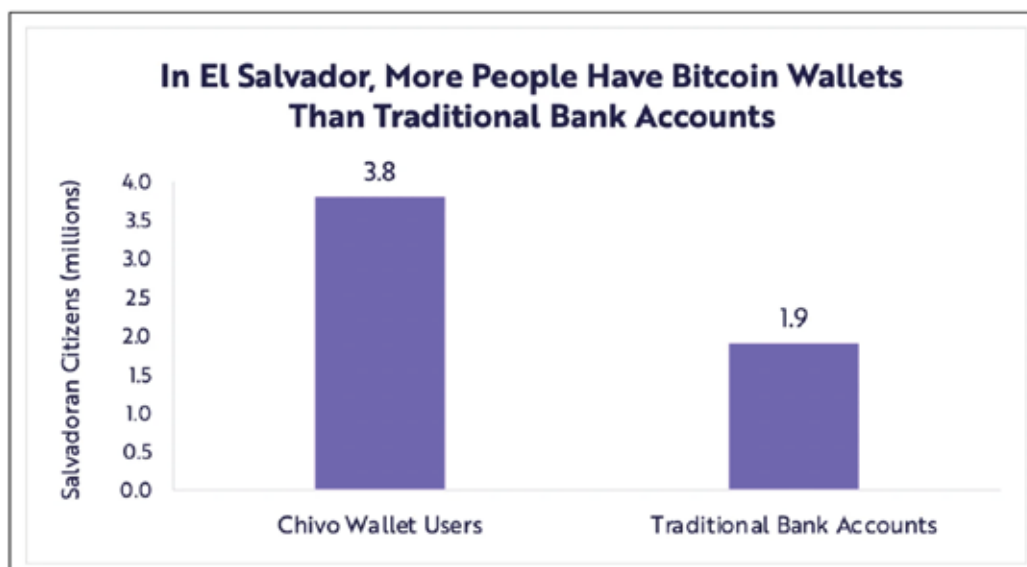
Crypto in Pakistan: A Pandora's Box of Innovation and Uncertainty

By: Muhammad Ahsan Farooq C2H 18499

A revolution simmers in the shadowy recesses of the digital world. A worldwide frenzy of both intrigue and apprehension has been sparked by cryptocurrencies, mysterious tokens fashioned from the fabric of cryptography. These virtual assets provide an important choice for Pakistan, a country full of aspirations for its economy and its desire for financial inclusion: do you join the whirlwind of innovation or do you remain conservative and watch from the sidelines?

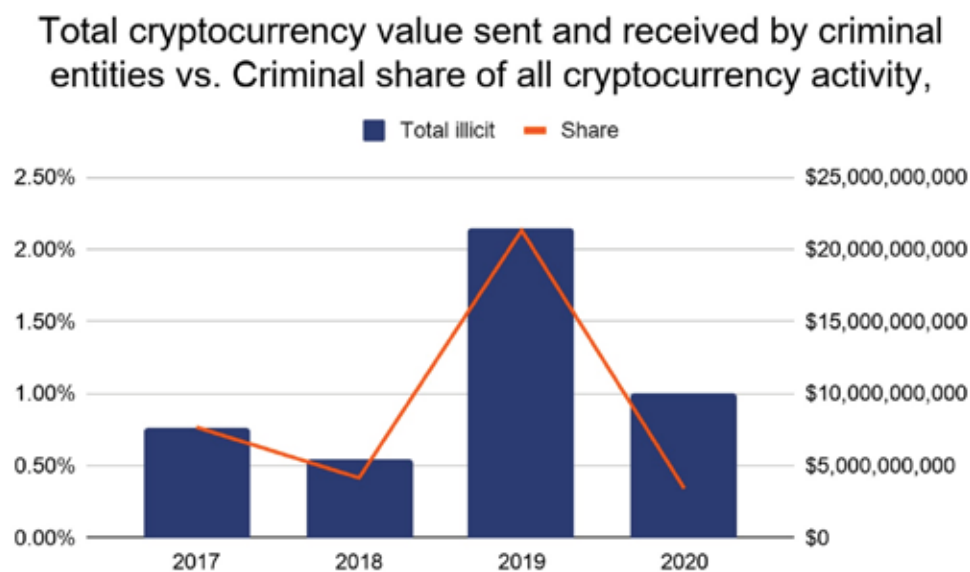
We must first sort through the tangled web that is cryptography in order to respond to this. Envision a ledger that is encoded in the bright internet ether rather than carved in pen. Each transaction is a brushstroke that is permanently recorded in the blockchain's unchangeable fabric. Based on this basis, digital tokens such as Bitcoin function as distinct units of value that are not bound by central banks or conventional finance. This is the core of the cryptocurrency system, which holds the potential to completely transform the financial industry.

Crypto appeals to the millions of people shut out of the established financial system like a siren's song. They can now finally enter the mainstream of the economy by using a smartphone and a small amount of internet to transact, save, and even borrow money—all while embracing the digital revolution. Transnational payments, which were formerly beset by long wait times and expensive costs, might suddenly become instantaneous digital blinks that enable remittances to be sent home. And openness? Freed from the shadows, each penny shines on the blockchain platform, encouraging transparency and shedding light on even the murkiest financial corners.



Via Exponential View

But, cryptocurrency comes with its own set of difficulties, just like any other great weapon. Its wild price fluctuations make it unsuitable for daily transactions and a playground for the financially daring. Its price swings resemble a rollercoaster on steroids, with values shooting up and falling in the space of a tweet. The legal environment surrounding cryptocurrencies in Pakistan is still unclear, which puts businesses and individuals in danger, prevents adoption, and draws dishonest people looking for safe havens for their illicit activities online. In addition, the gap in technology creates a chasm between those who own cell phones and have access to the internet and others who do not, perhaps further marginalising impoverished areas.



So, ought Pakistan to welcome this mysterious genie contained in a blockchain? The response is non-binary, much like the lines that define cryptography. To fully realise the potential of cryptocurrency without succumbing to its dangers, a careful strategy that places an emphasis on responsible innovation and education alongside a well-balanced regulatory framework is necessary. Campaigns for education aimed at certain populations can enable people to make wise choices and cautiously traverse the digital landscape. Pilot programmes in particular industries, such as microtransactions or remittances, can offer insightful information and open the door to controlled integration that is advantageous to all parties.

To conclude the aforementioned, it is important to recall that Pakistan's crypto future is an open book ready to be filled in, not a predetermined script. Pakistan can make sure that cryptocurrency becomes a force for good and an inclusive thread woven into the fabric of its economic future by prioritising collaboration between politicians, technical professionals, and the general public. It's time to make a decision: join the innovative light or stay in the background and observe as the digital revolution flits by. It is up to Pakistan to decide.

Bridging the Divide: Exploring the Link between Education and Income Inequality in Pakistan

By Muhammad Shaban Anwar H1-K 18428

In Pakistan, the pursuit of education has long been considered a pathway to prosperity and social mobility. However, the connection between educational attainment and income inequality is a complex web that warrants closer examination. This article aims to unravel the intricate relationship between levels of education and economic disparities in the context of Pakistan.

Education as a Catalyst for Change:

Education is often touted as a powerful equaliser, providing individuals with the tools to break free from the shackles of poverty. In Pakistan, as in many countries, the initial stages of formal education are accessible to a significant portion of the population. However, the quality and scope of education vary widely, contributing to disparities in skill development and knowledge acquisition.

The Impact on Income Inequality:

The correlation between educational attainment and income levels becomes evident as one delves deeper into the workforce. Higher levels of education, such as university degrees and specialised skills, often open doors to more lucrative employment opportunities. Conversely, individuals with limited access to quality education may find themselves confined to lower-paying jobs, perpetuating a cycle of economic inequality.

Educational Policies and Economic Disparities:

Examining the landscape of educational policies becomes crucial in understanding and addressing income inequality. Policies that focus on improving the quality of education, enhancing vocational training, and ensuring equal opportunities for all, regardless of socio-economic background, can serve as catalysts for reducing economic disparities. Moreover, targeted initiatives that address disparities in access to education, especially in rural areas, can contribute to a more equitable distribution of economic opportunities.

Challenges and the Way Forward:

Despite the potential of education to bridge economic gaps, challenges persist. Socio-economic factors, gender disparities, and regional differences in educational infrastructure pose obstacles to creating a level playing field. Addressing these challenges requires a holistic approach that combines policy reforms, increased investment in education, and a commitment to fostering an inclusive learning environment.

In conclusion, the correlation between educational attainment and income inequality in Pakistan is a multifaceted issue that demands attention. By dissecting this relationship and understanding how educational policies influence economic disparities, Pakistan can pave the way for a more inclusive and equitable society. The journey towards reducing income inequality begins with recognizing the transformative power of education and implementing policies that ensure its accessibility and quality for all.

The Coin of Contention: Cryptocurrency's Impact on Global Economies

By: Mohsin Jalib Ali C2-B 18471

Cryptocurrency, the enigmatic child of technology and finance, has stormed the world stage, leaving both excitement and apprehension in its wake. While some hail it as a revolutionary force poised to reshape economies, others fear its volatility and destabilising potential. But what are the actual effects of cryptocurrency on the economic state of different countries? This complex question demands a nuanced answer, one that considers the diverse landscapes and vulnerabilities of individual nations.

For many developing countries struggling with financial instability and limited access to traditional banking systems, cryptocurrency offers a lifeline. In Venezuela, ravaged by hyperinflation, Bitcoin and other digital currencies provide a hedge against devaluation, with over 7 million citizens using them in 2021. Similarly, in Kenya, mobile-based crypto platforms like M-Pesa have revolutionised financial inclusion, with 36 million active users as of 2022, sending and receiving money without relying on cumbersome and expensive traditional channels. This increased financial access translates to greater economic participation, fostering entrepreneurship and boosting local economies. A World Bank study found that mobile money adoption in sub-Saharan Africa led to a 2.5% increase in GDP per capita.

In developed economies, the impact of cryptocurrency is less clear-cut. While countries like the United States and Japan see growing mainstream adoption, with over 33 million Americans owning crypto as of 2023, concerns loom large. The inherent volatility of cryptocurrencies poses a risk to financial stability, as sudden price swings like Bitcoin's 50% drop in May 2022 can trigger panic and market turbulence. Additionally, the decentralised and pseudonymous nature of crypto transactions, estimated at \$11 billion laundered in 2021, raises concerns about money laundering and illegal activities. Regulatory bodies scramble to find the right balance between fostering innovation and mitigating these risks, often implementing a patchwork of rules that vary from country to country.

One of the most significant potential effects of cryptocurrency lies in its ability to transcend national borders. Bitcoin and its ilk function as global currencies, unconstrained by the limitations of traditional financial systems. This opens up new avenues for international trade and remittance payments, potentially lowering costs and increasing efficiency. For countries heavily reliant on remittances, like the Philippines where they account for 9% of GDP, this could be a game-changer. However, the lack of clear regulatory frameworks for cross-border crypto transactions currently creates uncertainty and hinders this potential.

The rise of cryptocurrency also complicates the geopolitical landscape. Countries with strained relationships with the US, like China, which banned cryptocurrency transactions in 2021, or Russia, exploring its own digital currency, see cryptocurrencies as a potential means to circumvent US-dominated financial systems. This could reshape the global power dynamic, creating alternative financial spheres and potentially weakening the dominance of the US dollar. However, such a scenario also carries risks, as it could fragment the global financial system and create opportunities for illicit activities.

As the cryptocurrency landscape continues to evolve, one thing is clear: its impact on the economic state of different countries will be profound. To harness its potential benefits while mitigating its risks, a coordinated global effort is crucial. Effective regulation that balances innovation with stability is essential, ensuring consumer protection and preventing illegal activities. Additionally, educating the public about the nuances of cryptocurrency is vital, empowering individuals to make informed decisions about participating in this nascent financial ecosystem.

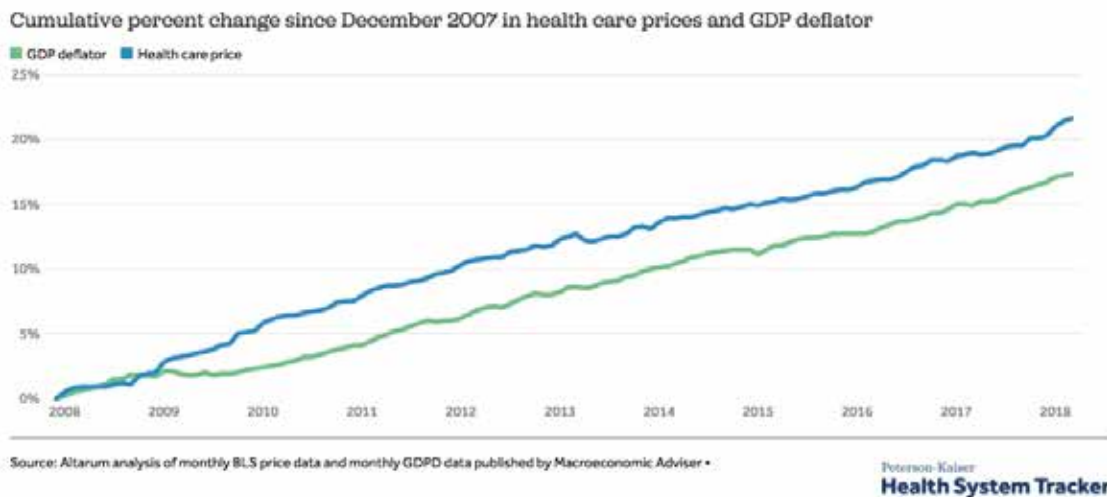
Ultimately, the future of cryptocurrency remains uncertain. Will it be a disruptive force that rewrites the rules of global finance, or will it fade into obscurity? The answer hinges on how different countries, their regulatory bodies, and their citizens choose to engage with this transformative technology. As with any powerful tool, the key lies in harnessing its potential responsibly, ensuring that the coin of contention becomes a catalyst for positive economic change, not a source of instability and division.

American Ailments: Healthcare Giants, Insurance Labyrinth, and a Nation in Pain

By Muhammad Ahsan Farooq C2-H 18499

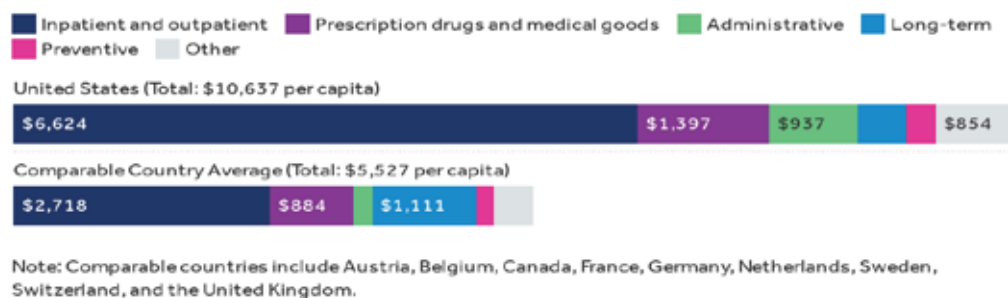
There is a paradox that permeates the American healthcare system, the beating heart of the country. Despite having world-class doctors and state-of-the-art medical technology, the United States struggles with crippling costs, leaving millions of people fighting for their financial lives while they battle medical conditions. This complex dance involving insurance companies, powerful players in the healthcare industry, and the helpless waltz of patients exposes a system in desperate need of a new beat.

Prices for healthcare have grown faster than prices in the general economy



Let's dissect this economic tango's strata. Healthcare titans hold enormous market influence, ranging from massive hospital systems to pharmaceutical behemoths. Consolidated monopolies have been brought about via mergers and acquisitions, which have reduced competition and raised prices. What would cost \$48 in the US for a single vial of insulin would only cost \$6 in Canada. These disparities provide a clear picture of unbridled profiteering in the US healthcare industry.

Healthcare spending per capita, by spending category, 2018



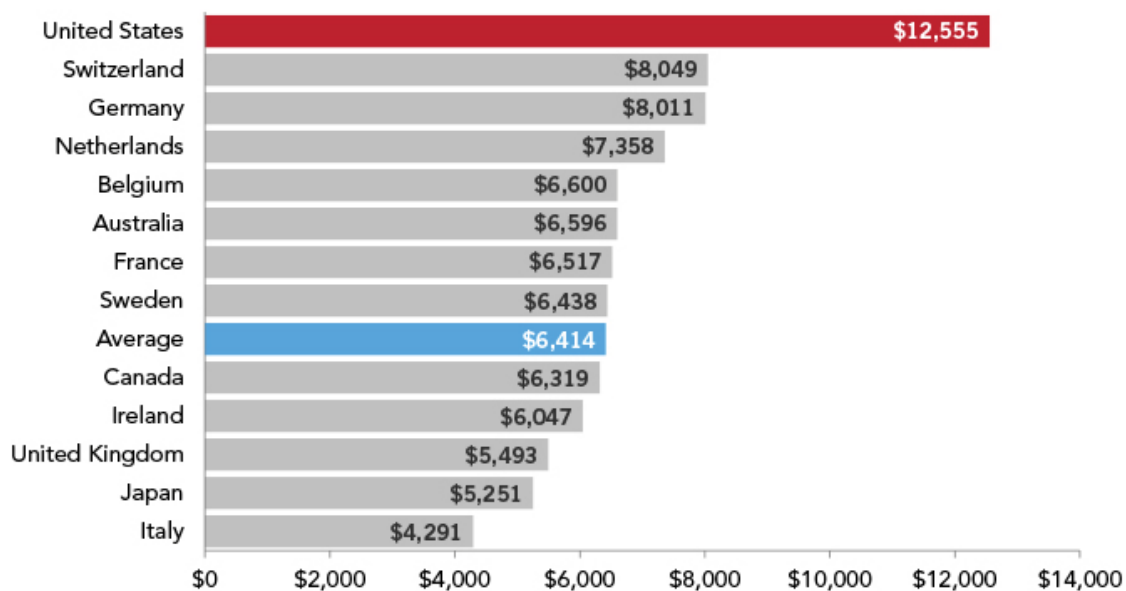
Source: KFF analysis of OECD Health Statistics

Insurance companies, the mysterious gatekeepers of access, are adding fuel to the expense fire. For individuals seeking care, their complex maze of insurance, with their deductibles, co-pays, and out-of-network penalties, pose financial obstacles. Imagine having to pay more than your yearly wage for a life-saving cancer treatment—a nightmare that is all too common in America. The average American family with employer-sponsored health insurance pays \$5,519 annually on medical premiums, according to a Commonwealth Fund report. This amount is far less than the \$1,222 average paid in France.



U.S. per capita healthcare spending is over twice the average of other wealthy countries

Healthcare Costs per Capita (Dollars)



SOURCE: Organisation for Economic Co-operation and Development, OECD Health Statistics 2023, July 2023.

NOTES: Data are from 2022 and include provisional values from some countries. Average does not include the United States. The five countries with the largest economies and those with both an above median GDP and GDP per capita, relative to all OECD countries, were included. Chart uses purchasing power parities to convert data into U.S. dollars.

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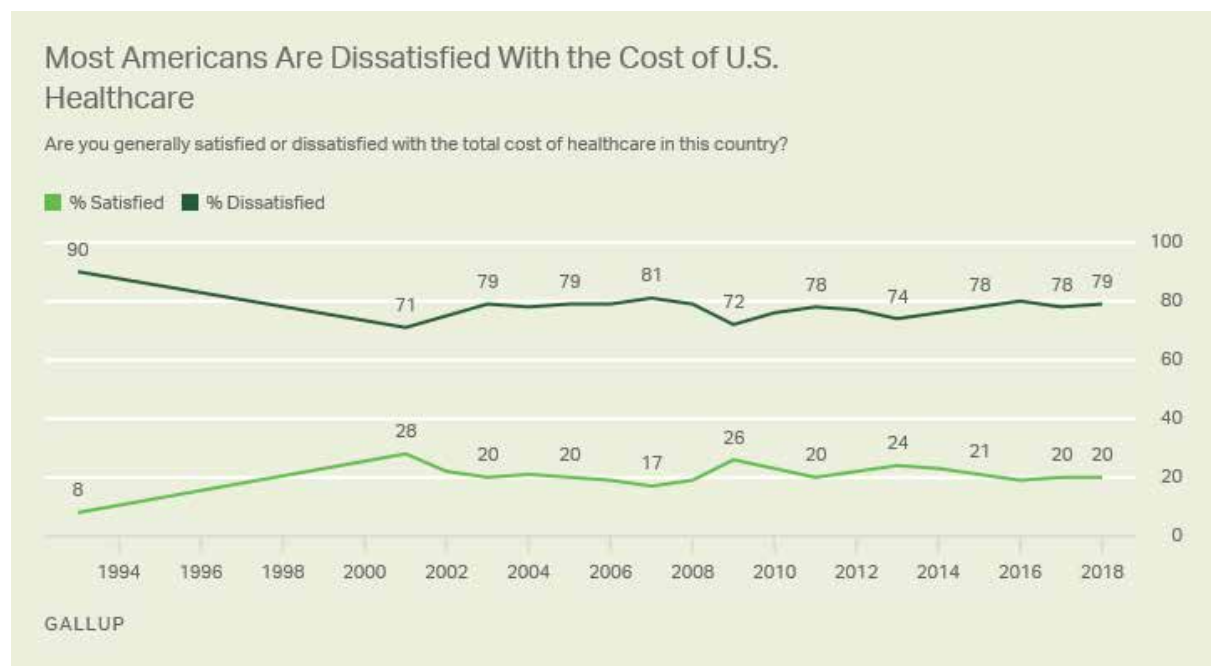
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This economic ballet is having devastating results. Millions of people are completely uninsured and hence at risk from the debilitating weight of medical debt. People with inadequate insurance, who are just one painful decision away from financial catastrophe, must decide whether to prioritise their treatment or their rent. Long-term effects of this economic worry include a worsening of health inequities and a stoking of social unrest.

However, why does this dance go on? The deeply ingrained influence of the healthcare-industrial complex is one important factor. Profitable lobbying endeavours guarantee that laws continue to be loose, enabling these organisations to dance to ever-greater profits while patient concerns are ignored. Furthermore, the American healthcare system is a patchwork quilt of answers with huge gaps because of the

political landscape's fragmentation, which makes it difficult to execute substantial improvements.

But even in this dire forecast, there are hints of hope. There is growing public unhappiness with the current system, and calls for reform are coming from all political angles. Devoted discussions are sparked by policy choices such as Medicare-for-All, which provides the promise of lower costs and universal coverage. Potential approaches towards a more equal system include initiatives supporting more competition and price transparency in the pharmaceutical sector.



In the end, it will be up to us all to decide how American healthcare will develop. Will we accept a new dance where accessibility and affordability set the pace, or will we allow the current waltz of profiteering and suffering to continue? The answer is a change in the underlying culture as well as policy changes. The first steps to a healthier future are educating patients and supporting a healthcare system that prioritises health rather than profit.

Green Economies

“Harmonizing Prosperity and the Planet”

By Muizz Mustafa C1-E 21612

In the current era dominated by environmental concerns, green economics emerges as a beacon of hope, aligning economic prosperity with ecological sustainability. At its core, green economics seeks to reconcile economic activities with environmental preservation, advocating for practices that mutually benefit the economy and the Renewable Energy Revolution.

A central pillar of green economics is the imperative shift to renewable energy sources. Embracing clean energy not only diminishes carbon footprints but also catalyses economic growth through the creation of jobs in the burgeoning renewable sector.

Sustainable agriculture practices form another key tenet of green economics, prioritising eco-friendly farming techniques. This approach ensures not only food security but also safeguards biodiversity and vital natural resources.

Departing from the linear model, green economics champions circular economies, focusing on resource reuse and recycling. This not only minimises waste but also fuels innovation and establishes markets for recycled materials.

Investing in eco-friendly industries is pivotal for economic resilience. Businesses embracing sustainable practices find themselves better positioned in the market, meeting the escalating demand for environmentally conscious products. The green economy serves as a catalyst for job creation, necessitating a skilled workforce and presenting opportunities for employment and skills enhancement.

With burgeoning environmental awareness, consumers actively seek eco-friendly products. Companies aligning with green economics can tap into this market demand, gaining a competitive edge and fortifying their economic standing.

Beyond immediate economic gains, green economics contributes to the enduring health of the planet. Preserving ecosystems, reducing pollution, and fostering biodiversity ensure a sustainable foundation for future generations.

In conclusion, green economics offers a holistic approach to addressing environmental challenges while fostering economic growth. By embracing sustainable practices, investing in renewable energy, and aligning policies with ecological goals, societies can traverse a path towards a balanced and prosperous future.

The Conundrum of Pakistan's Economic Bailout: A Closer Examination

Pakistan stood at the crossroads of its economic destiny, grappling with the shadows of default. In June, Pakistan reluctantly embraced its 23rd bailout package from the IMF due to its perceived necessity. Yet, as the ink dried on the pact, a vexing question lingered: will this infusion suffice for Pakistan's dire fiscal circumstances? Thus a comprehensive exploration of its underlying implications and shortcomings is in order.

In prior instances, Pakistan has sought refuge in high-interest loans from global actors such as China and Saudi Arabia. Despite generating revenue that scarcely meets external debt obligations, a substantial portion is allocated to servicing these debts. A depreciated Pakistani currency vis-à-vis the US dollar further compounds the challenge, transforming debt repayment into an arduous endeavour. This unfortunate amalgamation of factors has engendered a prolonged balance of payment crisis within the nation's borders.

Under these precarious economic circumstances, conjectures regarding a new deal have surfaced, a plausible prospect given Pakistan's staggering decrease in Total Public Debt and Liabilities. Concurrently, the erosion of Foreign Exchange reserves is evident, which is readily attributed to external debt repayments, while additional outflows loom on the horizon. The backdrop of elevated tariff rates and political instability has cast a shadow over investment prospects, consequently dampening hopes for a swift economic resurgence. This, in turn, accentuates the likelihood of impending negotiations for another bailout package. With all these factors taken into consideration, one must admit, 3 billion dollars alone is not enough, unless deployed in the right channels.

It is noteworthy that Pakistan's track record of meeting the prerequisites of past IMF conditional aid agreements has been lacklustre. The present deal, characterised by stringent conditions, emphasises a need for austerity measures, yet tangible progress remains elusive. Pakistan's failure to curtail government subsidies or elevate energy prices, as stipulated in a prior agreement, underscores the ephemeral nature of the current reprieve. However, one possible narrative within this context might be that the IMF has actually hampered economic growth within Pakistan by enforcing frequent economic policy changes, which has shook the confidence of foreign investors.

Considering the challenges confronting Pakistan, it is evident that the nation is veering toward a cycle of reliance on temporary remedies. A telling statistic emerges: Pakistan, over its 75-year history, has garnered the most bailout packages, surpassing any other nation. The IMF has consistently stressed the urgency of

implementing sustainable, long-term solutions within conditional agreements, yet this admonition has yet to manifest in substantial reforms.

Several potential solutions, endorsed by the IMF itself, warrant serious contemplation. Primarily, a gradual increase in energy prices, despite its potential backlash on consumers, is indispensable given the hefty expenditure on fuel imports. Additionally, an unwavering commitment to market-determined exchange rates is indispensable, necessitating the elimination of disparate exchange rate practices across distinct markets. Addressing unchecked unbudgeted expenses is equally paramount, as highlighted by mainstream media on numerous occasions. Lastly, the issue of rampant inflation necessitates strategic intervention by the central banks of Pakistan to avert further financial distress among consumers and the government alike.

Undeniably, the viability of these proposed solutions is subject to vigorous debate; however, they remain within the realm of possibility. Effecting such transformative economic changes demands time, both for prudent decision-making and seamless adaptation. Despite the formidable challenges, Pakistan's economic future can potentially stabilise with the realisation of these reformative measures, even if their effects are not immediately manifest. In the corridors of economic resurgence, strategic recalibration offers a glimmer of hope on the horizon.

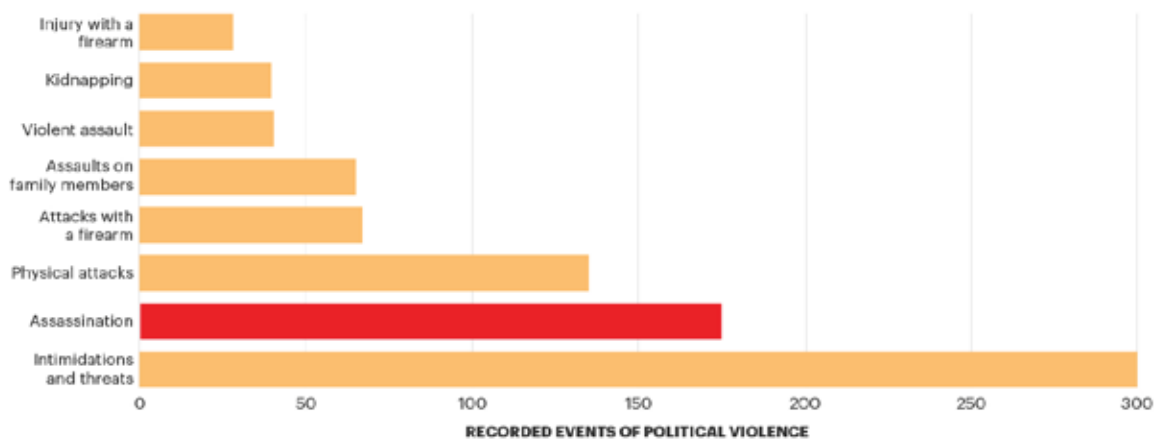
Mexico's Shadowy Dance

Cartels Infiltrate Power, Threaten Democracy

By: Muhammad Ahsan Farooq C2H 18499

A dark waltz plays out across the sun-drenched plains and urban labyrinths of Mexico. It's a tense dance between political subversion and economic might rather than a romantic one. The associates? The country's delicate democracy is in danger of collapsing beneath the weight of the drug gangs in Mexico, whose coffers are stuffed to the gills with narco-billions. This is no longer a story of backroom bargains and threats that are whispered. Cartels are no longer enigmatic master puppets. Now they are entering the political arena, gaining access to its inner workings and bringing the scary threat of a narco-state into focus.

Recorded events of political violence in Mexico by type, 1 September 2017–31 August 2018



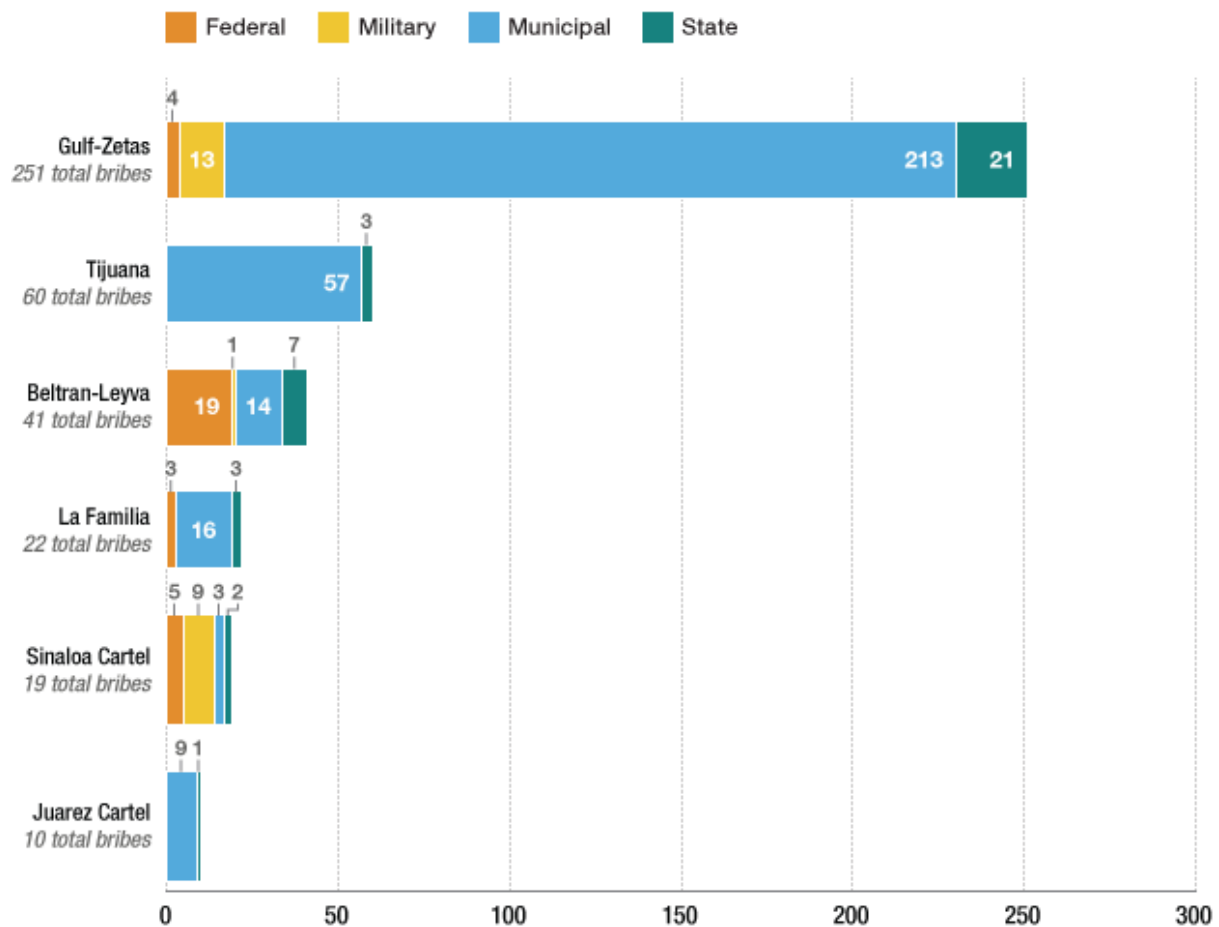
Source: Etellekt Consultores

IEP

Mexican cartels have dominated the economy for many years thanks to their ruthless ambition and savage efficiency. Their reaches span the whole economy, from monopolies over avocados to those over cocaine. The estimated \$48 billion in yearly earnings from these illegal operations dwarfs Mexico's official budget for healthcare and education combined. The immense riches that these groups possess are what drive them to enter the political sphere, converting them from criminal enterprises into influential entities.

A small bribe is whispered into the pocket of a struggling local politician to start the infiltration. A police head conveniently forgets a tip, a mayor ignores cartel activity. Millions of narco-dollars fund this kind of subtle corruption, which erodes institutions from the inside out. According to a 2023 University of Guadalajara study, cartel

influence was observed in 42% of Mexican communities' local elections; the most often used strategies were bribery and intimidation.

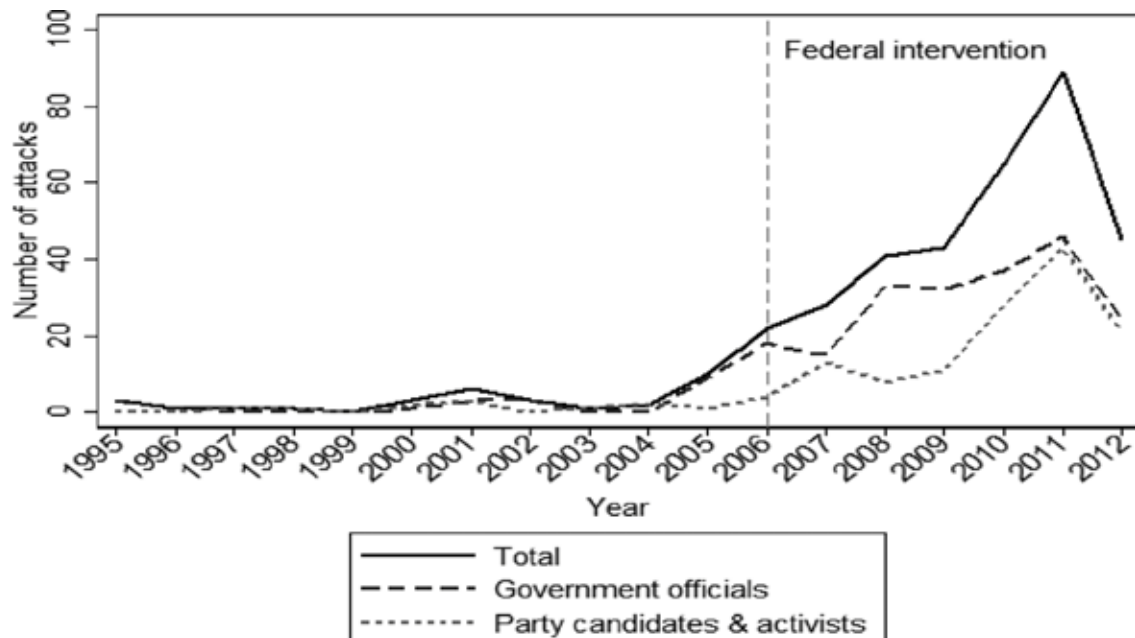


However, the waltz continues beyond the city limits. The goals of the cartels now penetrate the core of Mexican politics. More than eighty political candidates were slain in 2021; many of these deaths were connected to their defiance of cartel pressure. This terrifying reign sends a terrifying message: loyalty or forgetting. What is the outcome? a concerning increase in the number of politicians with ties to cartels holding office in regional and national congresses. According to a Centre for Economic and Policy Research report from 2022, at least 12% of federal lawmakers were known to have connections to organised crime.

This cartel infiltration has far-reaching and horrifying repercussions. A government tainted by drug money loses credibility and capacity to rule efficiently. As law enforcement becomes rife with cartel moles, public safety erodes. Criminal interests take control of policymaking, giving drug trafficking routes precedence over infrastructure improvements and educational initiatives. The rule of law turns into a frayed tapestry with places where impunity seeps through.

This political waltz has a startling human cost. With over 33,000 homicides in 2023, Mexico has a record-high homicide rate, much of which is linked to cartel violence.

Mass graves, disappearances, and torture leave a lasting scar on the environment, demonstrating the savagery that exists in areas controlled by cartels. The financial toll is also very high. Tourism suffers, investment dwindles, and lawful firms abandon their operations due to violence and extortion.



However, there is a glimmer of optimism among the shadows. A thriving civil society that is supported by activists, journalists, and regular people will not be subdued. Investigations reveal cartel ties to elected officials, inciting public indignation and calls for change. Risking their life, independent prosecutors hunt out dishonest authorities and break up criminal organisations. Additionally, the Mexican government is under increasing pressure from abroad to take action as they realise that a narco-state is posing a threat to them.

The prompt and decisive response is critical to the future of democracy in Mexico. Important first efforts include guaranteeing judicial independence, fighting corruption, and strengthening institutions. It is essential to defend activists and journalists who bring attention to the darkness. The pool of potential recruits for the cartel may be reduced by funding social programmes that deal with the underlying causes of inequality and poverty. International collaboration is also necessary to weaken the cartels' financial clout by obstructing trafficking routes and seizing drug-related assets.

Mexico is risking its life dancing with the cartels. The future of its democracy and the security of its citizens are at stake, despite the complicated procedures and ominous music. Hesitancy has had its day. The waltz needs to end, and Mexico's progress towards a better future needs to be guided by a new beat that emphasises justice, openness, and the rule of law.

Local inflation and its implications

In December 2022, Pakistan reached a staggering inflation rate of 24.5%. Pakistan has been dealing with the depths of default, which is having a significant impact on the lives of its citizens. Inflation is the rate at which prices for goods and services are rising over time. In Pakistan, the inflation rate has been increasing steadily in recent months, and it is now at its highest level in over a decade.

There are a number of factors that have contributed to inflation in Pakistan. One of the main factors is the rising cost of energy. Pakistan is heavily dependent on imported energy, and the prices of oil and gas have been rising sharply in recent months. This has led to an increase in the cost of transportation and other essential goods and services.

Another factor contributing to inflation is the supply chain disruptions caused by the COVID-19 pandemic. The pandemic has made it more difficult and expensive to transport goods and services, which has led to an increase in prices.

The Pakistani government has taken a number of steps to try to control inflation, including raising interest rates and reducing government spending. However, these measures have not been successful in bringing inflation down.

The high rate of inflation is having a significant impact on the lives of ordinary Pakistanis. Many people are struggling to afford basic necessities such as food and housing. Inflation is also making it difficult for businesses to operate, and it is leading to job losses.

There are a number of solutions that can be implemented to address the problem of inflation in Pakistan. One solution is to increase the supply of goods and services in the economy. This can be done by investing in infrastructure and by making it easier for businesses to operate. Another solution is to reduce the government's budget deficit. This can be done by cutting spending and by increasing taxes.

It is important to note that there is no single solution to the problem of inflation. A combination of different approaches will be needed to bring inflation down and to protect the Pakistani people from its harmful effects.

Moreover, some other implications of the increased inflation rate in Pakistan is reduced purchasing power. Inflation means that people can buy less with the same amount of money. This can lead to hardship for people on fixed incomes, such as retirees and low-income workers. Moreover, inflation can push people into poverty, especially those who are already struggling to make ends meet. Inflation can also lead to social unrest, as people become frustrated with their declining living

standards. Inflation can also lead to political instability, as governments are blamed for failing to control prices.

The Pakistani government has been urged to find a multi-pronged response in order to deal with an economic crisis of this magnitude, since that has been deemed a prerequisite for the country's prosperity.

. Climate Change and Economic Turmoil

By Mohsin Jalib Ali C2B 18471

Climate change, no longer a distant murmur on the horizon, has roared into the present, its tendrils reaching into every corner of the planet and leaving an indelible mark on our economies. Its economic toll, already staggering, paints a stark picture of a future teetering on the precipice of immense financial strain. The Intergovernmental Panel on Climate Change's sobering estimates predict global GDP losses of 2% to 10% by 2050, a chilling spectre haunting the halls of finance ministries and development agencies worldwide. The very foundation of our prosperity, built upon stable weather patterns and predictable agricultural yields, now crumbles beneath the relentless assault of rising sea levels, extreme weather events, and disrupted ecosystems. Each year, the fury of nature unleashes its wrath in the form of floods, droughts, and heatwaves, exacting a \$300 billion toll on our global coffers – a figure projected to balloon to a staggering \$1.7 trillion by 2050.

Beyond the cold calculus of statistics lies the human cost, a narrative etched in the displacement of millions from their homes, the despair of farmers witnessing their crops wither under a scorching sun, and the desperation of families struggling to access clean water amidst worsening droughts. The burden of this unfolding tragedy falls disproportionately on the shoulders of developing nations, their limited resources and fragile infrastructure offering scant defence against the relentless march of climate change. Despite contributing far less to the historical accumulation of greenhouse gases, they stand at the frontline of this existential battle, their development aspirations threatened by a force indifferent to borders or economic might.

Yet, amidst the gathering storm, glimmers of hope remain. By taking decisive action today, we can mitigate the worst impacts of climate change, avert future economic calamities, and unlock a more prosperous and sustainable future for all. Investing in renewable energy sources like solar and wind power presents a win-win proposition, creating millions of new jobs, combating air pollution, and slashing greenhouse gas emissions. The International Renewable Energy Agency paints a hopeful picture, estimating that a global shift to renewable energy by 2050 could create a staggering 9 million new jobs, ushering in a new era of green prosperity.

Building resilience into our infrastructure is another crucial facet of our collective defence. Flood defences, early warning systems, and climate-smart agricultural practices can act as shields against the inevitable blows of a changing climate, protecting communities and minimising economic losses. The World Bank estimates that a relatively modest investment of \$2-\$4 billion per year in climate adaptation could save developing countries a staggering \$140-\$300 billion by 2030, a testament to the power of proactive preparedness.

Finally, putting a price on carbon through mechanisms like carbon taxes or cap-and-trade systems can act as a powerful incentive for businesses and individuals to reduce their emissions footprint. By internalising the true cost of their carbon-intensive activities, these economic tools can nudge polluters towards cleaner technologies and practices, accelerating the transition to a low-carbon economy.

The choice before us is stark: succumb to the looming shadow of climate change and face an economic future ravaged by rising sea levels, extreme weather events, and mass displacement, or rise to the challenge with collective resolve. By investing in renewable energy, building resilience, and putting a price on carbon, we can not only avert the worst economic impacts of climate change but also unlock a future teeming with green growth opportunities. This is not merely a fiscal imperative; it is a moral obligation, a chance to rewrite the narrative of our planet and leave behind a legacy of sustainability and prosperity for generations to come. The economic cost of inaction is simply too high. Let us choose wisely, let us choose hope, and let us choose a future where the spectre of climate change fades into a distant memory, replaced by a vibrant tapestry of shared prosperity and environmental stewardship. The time for action is now, and the future, with all its uncertainties, awaits our decision.

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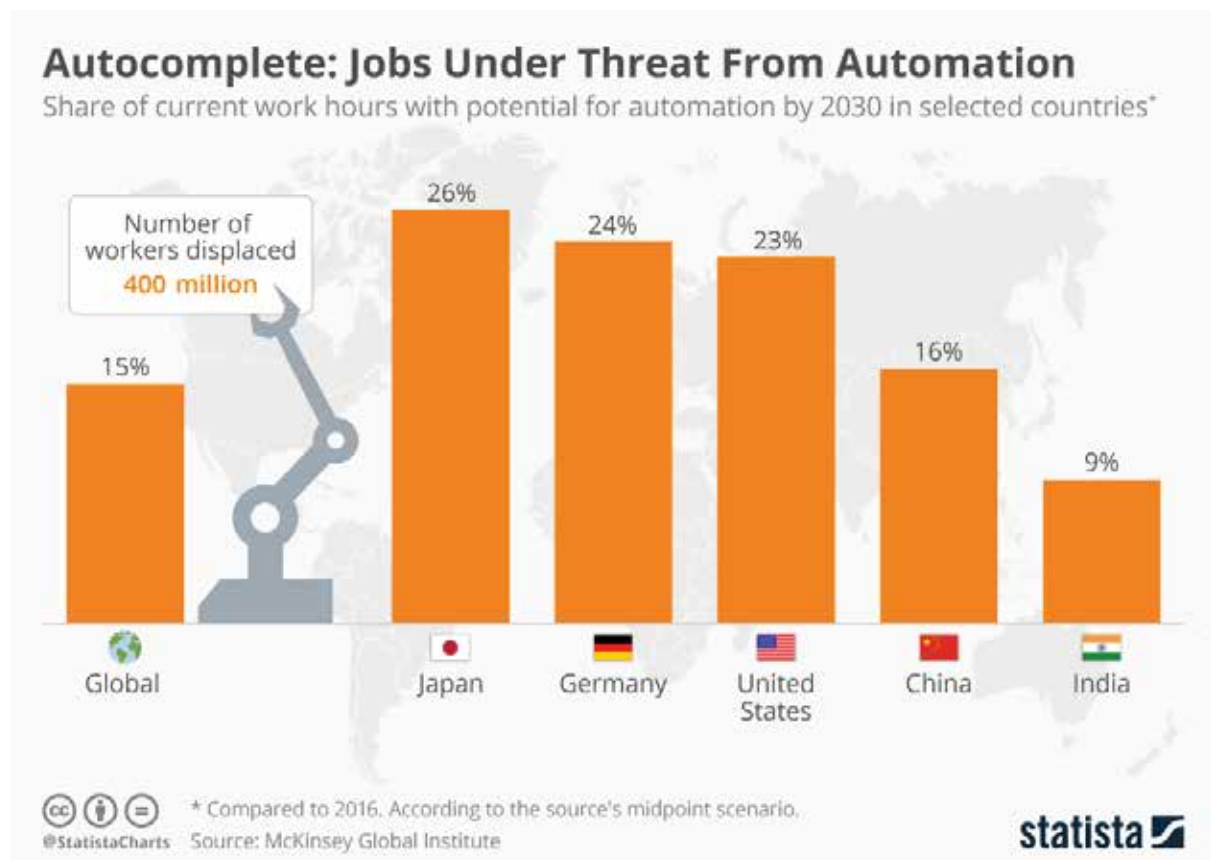
The Two Faces of Progress

Technology's Impact on Pakistan's Job Market

By: Muhammad Ahsan Farooq C2H 18499

The digital revolution is sweeping the world, altering the future of work and reshaping landscapes like an unrelenting tide. Technology is a double-edged sword in Pakistan, where a youthful and expanding populace looks for opportunities. It might herald job displacement and unemployment, but it can also open up completely new avenues for riches. Comprehending this intricate interaction is essential for manoeuvring through the dynamic labour market and guaranteeing that advancements become inclusive rather than polarising.

On one hand, automating tasks has a negative impact. Robotic arms, with their unparalleled precision and speed, are replacing the laborious human hands that traditionally wove cloth in factories. Once the backbone of business process outsourcing, data entry jobs are now supplanted by algorithms that consume paperwork like vicious beasts. These deaths represent tales of families battling uncertainty and disparities in poverty, not just numbers. One striking example is the textile sector, which is vital to Pakistan's economy and where estimates indicate that up to 40% of its workers may be lost to automation.



Mass unemployment is a real possibility, especially for people who lack the adaptability abilities. Even though it is changing, Pakistan's educational system frequently falls behind the quick speed of technical advancement. A large number of job searchers lack the digital fluency and critical thinking required by the new economy, leading to a skills mismatch. If the digital divide is not addressed, it has the potential to exacerbate already-existing disparities and spark societal upheaval.

But on the other side, technology is not an evil entity intent on destroying things. It also sets the conditions for new chances to arise, much like a phoenix rising from the ashes. Thanks to the growth of freelance work, e-commerce sites, and IT businesses, the digital world is exploding with opportunities. With its worldwide reach and flexible work schedules, the gig economy allows people to design their own professional routes and escape the limitations of traditional employment

Pakistan's internet landscape presents a wealth of opportunities for the astute and tech-savvy. Among the in-demand professions with profitable careers are data analysts, content developers, and cyber security specialists. The IT industry, which now contributes significantly to GDP, is expected to expand at a rapid pace, creating a large number of new jobs for qualified workers.

However, taking advantage of these chances calls for much more than just self-motivation. It requires the government, academic institutions, and the commercial sector to work together. In order to close the connectivity gap in rural areas and promote an atmosphere that is favourable to technological innovation, governments must invest in digital infrastructure. The curriculum of educational institutions needs to be revised so that critical thinking and digital literacy are taught as essential components of the curriculum. In the meantime, the private sector ensures that the workforce is prepared for the digital age by providing training programmes and apprenticeship opportunities, which is vital in bridging the skills gap.

Conclusively, managing how technology is affecting Pakistan's labour market calls for a sophisticated strategy. It involves more than just minimising employment losses; it also entails sowing the seeds of future opportunities. The emphasis needs to change from memorization to original problem-solving, from technical expertise to analytical reasoning, and from inflexible frameworks to malleable flexibility. Through adopting this new perspective, Pakistan may turn the digital revolution from a possible danger into a powerful force for inclusive growth, enabling its workers to keep up with the times and prosper in the modern workplace.

Pakistan's Economy: Room for Improvement?

2023 marked the year in which Pakistan faced its worst economic crisis, a crisis which seems to only deepen in 2024.

Pakistan has taken its place amongst the list of nations in the world whose currency has depreciated by over 20 per cent in the year 2023. The United Nations (UN) report on World Economic Situation and Prospects 2024 has forecasted several challenges including inflationary pressures, currency depreciation, and high levels of sovereign debt would not see any progress in Pakistan's economic growth this year. The average inflation rate in Pakistan sky-rocketed to 30 percent, this figure is expected to remain at 20 percent in 2024.

Pakistan's economy is indebted with huge external loans, causing its economy to be in a state of 'paralysis', a major catalyst of these external loans being China's Belt and Road Initiative. According to the State Bank of Pakistan, Pakistan is to pay foreign loans worth USD 27.47 Billion by November 2024.

Analysts at Profit Pakistan Today, cited the Chinese loans as a major 'obstacle' for the debt relief efforts. China accounts for 30 percent of Pakistan's external debt.

"The government is facing the daunting task of managing borderline unsustainable debt, along with low SBP reserves", said Ahtasam Ahmed, a sector analyst.

Dr Ikram ul Haq a lawyer at the Supreme Court, said the following while addressing the country's external debt,

"Pakistan's real fiscal problem is reckless borrowing and ruthless spending, pushing the country deeper and deeper into the deadly debt trap"

Pakistan's trade front remained dull in the last quarter of 2023 - showing no improvement. The decline in trade deficit has also worsened the situation, there was no increase in exports and rather a decline in imports. Raising the risk of the current account deficit widening.

The World Bank has also highlighted basic problems of Pakistan such as the human capital crisis, weak education system, ineffective human resource management and the looming food crisis. Malnutrition is one of the biggest challenges facing the country, with 80 percent of its children not receiving the adequate nutrition needed for proper growth. Climate change also serves to be a major contributor to the issue, the country's agricultural sector remains at risk of non uniform rains. Upcoming General elections in February, also play a crucial factor in deciding the future of the country's economy, a senior analyst stated the following "As the next election

approaches, the likelihood of a potential economic downturn or recession is expected to increase.”

Sergi Lanau, director of emerging market strategy at Oxford Economics, stated that political instability seems disastrous at a moment when Pakistan is facing high inflation, unemployment, and sluggish growth. It makes things quite impossible to solve. This is very bad news in a situation that was already very hard.

Pakistan is set to enter another year surrounded by deep-rooted challenges over its medium-to-long-term future," said Farhan Bokhari, a journalist based in Islamabad.

CPEC: Transforming into failure

October marked the CPEC's 10 year anniversary. As reported by Chinese authorities the Belt and Road Initiative has resulted in the Chinese government providing almost \$1 trillion in financial assistance to countries which are part of the initiative. An event was held in Beijing to celebrate the 10th anniversary of the initiative, its successes were highlighted, however the failures were masked.

The China-Pakistan Economic Corridor (CPEC), one of the BRIs prominent initiatives, has failed to live up to its statement of 'promoting bilateral cooperation and building an economic corridor'. Large scale Chinese loans have only resulted in putting Pakistan in a debt paralysis, one which harm has the potential of harming China as well.

The project has two main goals: to connect China directly by land to its energy sector projects in Pakistan and to revolutionise and technologically transform the partner nation. The deep-sea oil ports in Karachi and Gawadar are connected to China's Xinjiang region. CPEC also circumvents the maritime route which passes through the South China Sea, it is persistent to mention that it is quite costly and inefficient and that it lies in potentially contested waters which would be disastrous in case of a conflict that might arise in the region. The completion of CPEC would save China an estimated \$2 billion in transportation costs and help it secure a permanent energy supply in the current geopolitical sphere.

Pakistan is the biggest recipient of the Belt and Road initiative funding, this has resulted in the country being caught in a wave of corruption. China has given up to \$62 billion in funds, some programs that have been successfully established include the Coal Power Plant in the Thar Desert. However, a large number of the funded projects have encountered issues, reports estimate that 20 percent of the projects have been cancelled.

Loans have increased Pakistan's \$100 billion foreign debt, 30 percent of which is owed to just China. Pakistan's conflict with India in the Gilgit region has also resulted in setbacks for the projects, decades long work has been ruined due to conflict or natural causes such as flooding or earthquakes. In a bid for foreign investment the Pakistani government formed Special Economic Zones, however there have been no investments in the zone from any Chinese firms, probably due to the smuggling rings present in the zones. Pakistan has shown no increase in its exports after the establishment of CPEC, starting initiatives would prove not be beneficial unless Chinese investors follow through and invest in the projects themselves.

China has failed to make Pakistan a global trade hub and instead made it fall into a debt trap. Pakistan spends half of its revenue to pay back its external loans, most of which are owed to China, this results in an endless cycle in which Pakistan takes loans from China to pay back its debt to China. This debt trap puts Chinese state and commercial banks at risk, those which have loaned money to Pakistan. China had started an initiative in which Chinese currency would be pumped into the Pakistani economy but the initiative was to no avail.

In the current time frame it seems that China is aware of its mistakes, as recently President Xi Jinping stressed that the country would be focusing more on smaller and beautiful projects rather than large scale ones. China has become stricter with Pakistan, several policies have been adopted which indicate so. However, it's true that China can not pull out of the project, CPEC is of great strategic importance to China, and a strong alliance with Pakistan helps act as a counterpoint against China's regional rival India.

China is following a policy of throwing more money into the project rather than looking for a proper response and solution. Chinese creditors have made no efforts to set up factories in Pakistan which would greatly help Pakistan with the foreign currency it needs to untangle itself from its debt trap. China's projects in the region do seem to be quite ambitious, however currently they seem to be weary, urgent action should be taken to address the situation otherwise, as Bilal Gilani a Pakistani researcher states "China would create a graveyard of economic zone".

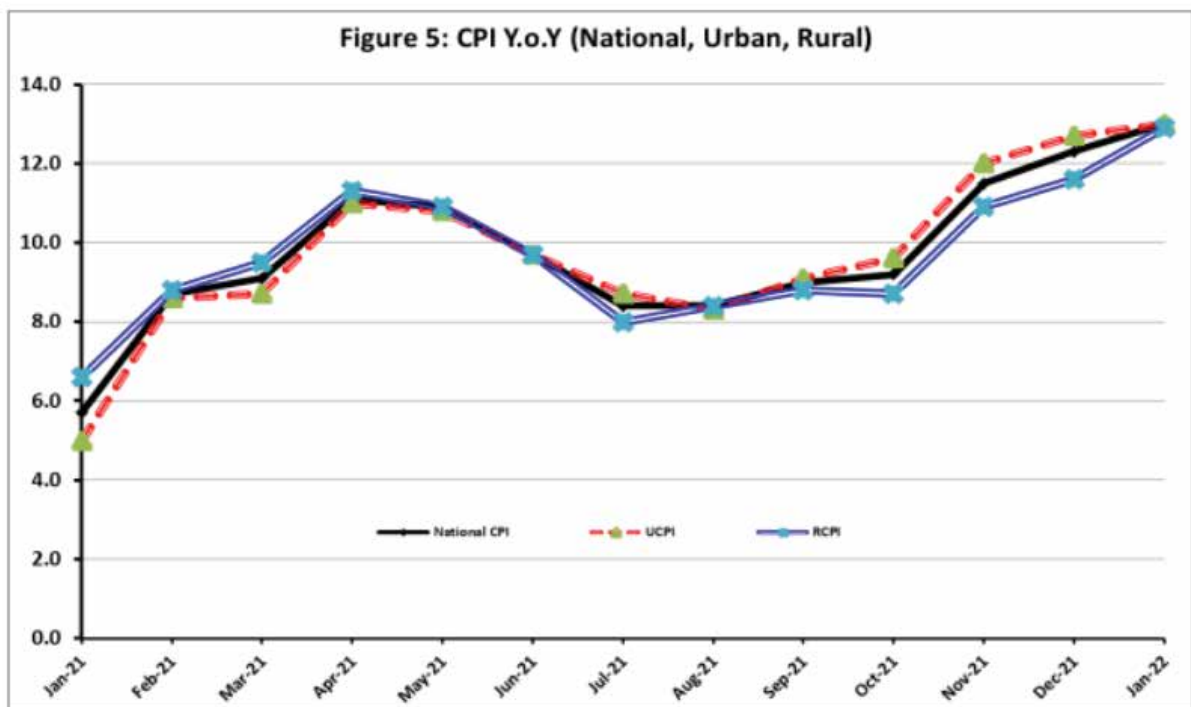
Pakistan's Burning Pockets

Inflation's Bite on Living Standards

By Muhammad Ahsan Farooq C2H 18499

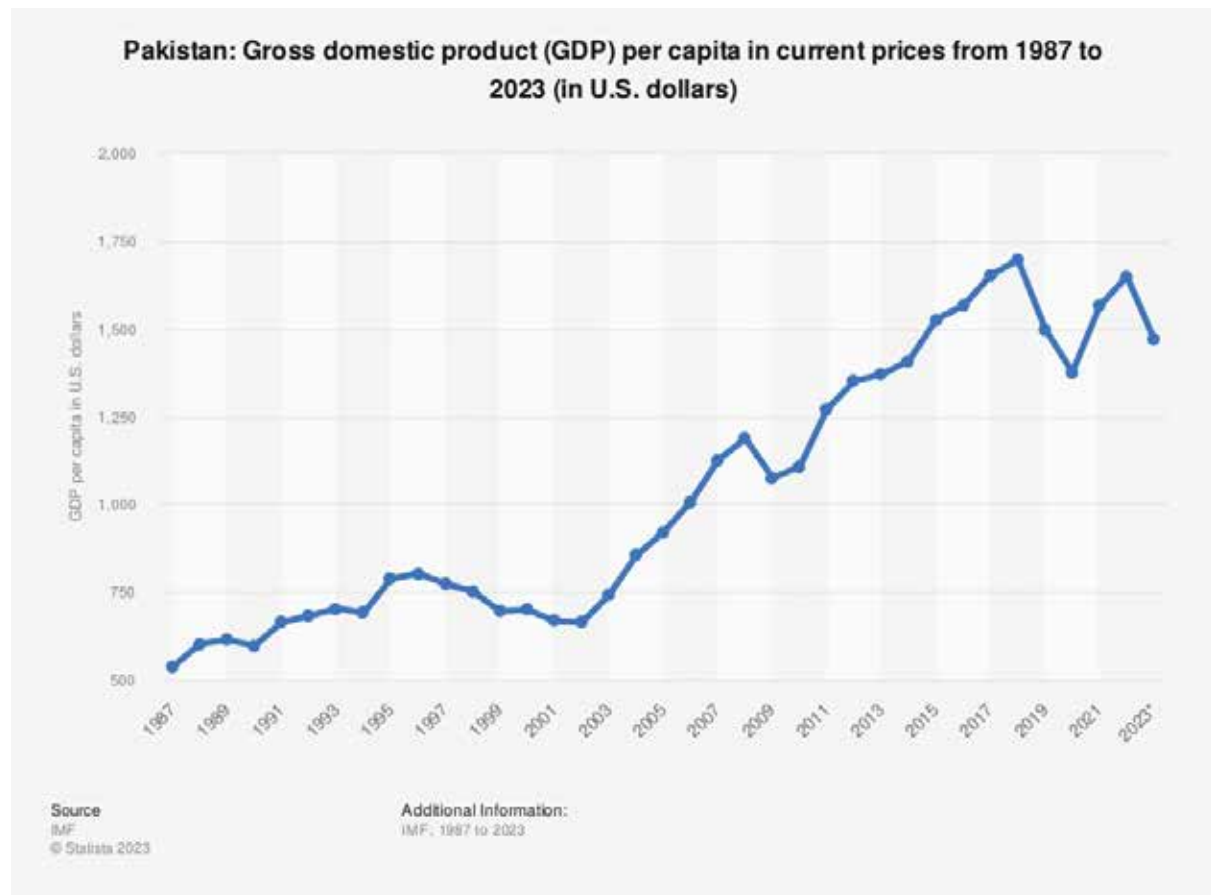
The grip of inflation has made the Pakistani rupee, which was once a symbol of modest stability, sizzle like hot coal. Prices increased in 2023 at a rate not seen in decades, leaving common people to deal with declining dreams and diminishing wallets. This essay explores the devastating effects of inflation on purchasing power and living standards in Pakistan, delving into the conflagration that is inflation.

The official figures give a lot of information. As of this writing, inflation was at a rate of about 25%. This is an alarming rate of increase that has outpaced wage growth and left millions of people struggling to make ends meet. Food, fuel, and housing costs have soared, with the price of wheat doubling and onions tripling in just a single year. Regular meals have been turned into a luxury for many, with painful decisions having to be made between eating to satisfy hunger and paying bills.



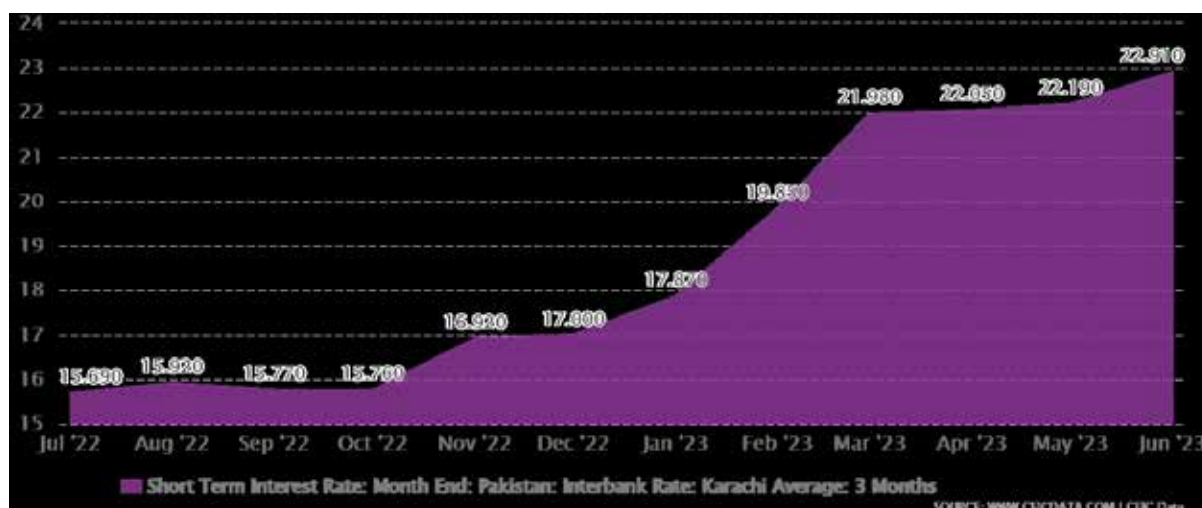
There is more to the influence than just the numbers. Mothers rationing their flour, daily wage earners witnessing their earnings drain before their eyes, and families having to pull their children out of school owing to mounting expenses all bear witness to it. The desperate battle for existence has forced low-income households, who were already on the verge of poverty, over the edge. Their hopes for a better future have been supplanted.

However, the inflationary fire is indiscriminate. Once thought to be relatively stable, even middle-class families are feeling the heat. Reduced disposable incomes have resulted in cancelled trips and delayed aspirational purchases. Their sense of security is eroded by inflation worries, which cloud their present and future.



The embers of inflation gnaw at the foundation of civilization, going beyond the short-term burn on wallets. The health and welfare of entire communities are at risk due to rising food insecurity, especially for expectant mothers and children. The already difficult access to healthcare gets worse as costs rise. As dissatisfaction builds, social unrest simmers and might endanger governmental stability. The economy is suffering as well, with firms finding it difficult to keep up with growing expenses and investments drying up.

A number of causes are causing the inflationary inferno to rage: the loss of the Pakistani rupee, supply chain disruptions and energy shortages at home, and increases in global commodity prices caused by the conflict in Ukraine. The government has implemented a plethora of policies, including hikes in interest rates, reductions in subsidies, and attempts to rein in price gouging, in an attempt to balance combating inflation and fostering economic expansion. Although these initiatives provide some short-term respite, they fall short of addressing the root causes of the fire.



Pakistan needs to take multiple measures in order to completely put out the fire. It is essential to diversify the economy in order to lessen reliance on imports. Stabilising food prices requires investing in domestic food security and increasing agricultural production. The most vulnerable will be shielded by strengthened social safety nets, which will stop the flames of unrest from spreading. Rebuilding trust in the economy requires combating corruption and promoting budgetary restraint.

This is not a battle that can be won alone. To combat the raging grip of inflation, the public and business sectors as well as civil society must work together. The tools required to put out the fires and create a Pakistan where hopes aren't dashed by growing costs are creative thinking, open policies, and teamwork.

In summary, there is more to Pakistan's present inflation problem than meets the eye. It's a tale of human struggle, sacrifice, and hope. Although the flames created a long shadow, they also made clear the necessity of taking quick action and having long-term goals in mind. Pakistan may rise from the ashes of inflation and create a more robust economy where day-to-day living doesn't feel like a struggle against growing expenses by admitting the suffering, comprehending the causes, and adopting a cooperative strategy. Now is the time to take action before Pakistani hopes are extinguished by the inflationary firestorm.

Universal Basic Income

A Paradigm Shift in Economic Policy

By Shaffay Nawaz

In recent years, the concept of Universal Basic Income (UBI) has gained traction as a potential solution to various economic and social challenges. UBI is a system where all citizens receive a regular, unconditional sum of money from the government, regardless of their employment status or income level. While proponents argue that UBI could alleviate poverty, reduce inequality, and provide economic security in an era of increasing automation, sceptics raise concerns about its feasibility and potential economic consequences.

One of the primary arguments in favour of UBI is its potential to reduce poverty and inequality. By providing every citizen with a basic income floor, UBI ensures that none falls below the poverty line. This can lead to improved living standards, better access to education and healthcare, and increased social mobility. Additionally, UBI can address the growing income inequality gap by redistributing wealth and reducing the concentration of resources among the wealthy.

Moreover, UBI has the potential to stimulate economic growth by boosting consumer spending. With a guaranteed income, individuals are more likely to spend money on goods and services, which in turn stimulates demand and drives economic activity. This increased consumption can lead to higher production levels, job creation, and overall economic expansion.

Furthermore, UBI could address the challenges posed by automation and technological advancements in the labour market. As automation displaces jobs and changes the nature of work, UBI provides a safety net for individuals who may struggle to find employment. By decoupling income from traditional forms of work, UBI encourages entrepreneurship, innovation and the pursuit of creative endeavours.

However, critics of UBI raise several concerns about its economic implications. One common argument is the potential cost of implementing such a program. Financing UBI would require significant government expenditure, which could strain public finances and lead to higher taxes or increased government debt. Additionally, there are concerns about the potential for UBI to disincentivize work, as some individuals may opt out of the labour force altogether if they can rely on a basic income.

Moreover, there are questions about the broader impact of UBI on inflation and the broader economy. Critics argue that providing a universal income could lead to price inflation, as businesses may raise prices in response to increased consumer demand. Additionally, some economists question whether UBI is the most efficient

way to address poverty and inequality, suggesting that targeted social welfare programs may be more effective in addressing specific needs.

In conclusion, Universal Basic Income represents a bold and innovative approach to addressing economic and social challenges. While it offers the potential to reduce poverty, inequality, and stimulate economic growth, its implementation requires careful consideration of its economic implications, including its cost, impact on work incentives, and potential effects on inflation. As governments and policymakers continue to explore UBI as a policy option, rigorous research and experimentation will be essential in determining its viability and effectiveness in the modern economy.

EXCERPTS (ENGLISH ONLY) FROM INTERVIEW WITH PROFESSOR DR. ASIM IJAZ KHWAJA FOR PRINT PUBLICATION.

Professor Dr. Asim Ijaz Khwaja (Sumitomo-FASID Professor of International Development at Harvard Kennedy School, Co-Founder and Board Member CERP) is a distinguished alumnus of Aitchison college and a leading economist in the world today. Wali Mohammad Sultan (President) and Mikail Faisal Ejaz (General Secretary) of the Aitchison College Economics Society had the privilege to conduct a video interview with him. Following are excerpts from the interview where Professor Dr. Khwaja shed light on several topics related to Pakistan's current economy and future outlook for the benefit of the student body/ budding young economists.

On the need to invest in Pakistani talent and move beyond the geo-strategic narrative:

What is special about us, relative to the world? What is our export advantage, if you will? I think for a long time Pakistan has thought that its primary advantage is geo-spatial. Its physical location. We are strategic. And I think that is partly correct, but I would argue that we have overplayed that card too much. I would argue that, because that card leads to a world where you are always playing some grand global game. You are predominantly focused on what is happening in Afghanistan, America, China and so on. And it feels, at times, as if you are primarily concerned with events happening at a distance and ignoring matters closer to home that are not working out and that require attention. And so my view is somewhat different: you don't gain advantage in the world by starting with your geo-spatial specialty. In the game of chess we will be used as pawns. So you put yourself in this situation where you are always at the whims of other people's decisions and I think we need to put ourselves in a position where it's primarily us first. Strengthen our own abilities to improve, invest in our own people, invest in our own talent, invest in our own firms and once you start doing that I think naturally, once you enable people, people will figure out what their competitive advantage is. I mean, why did the Sialkot industry start? Did someone sit there and say that at this time Pakistan's strategic placement in the world is such that we should manufacture soccer balls for the World cup? I doubt anyone thought of that, right? But the reality was, there was an industry which was burgeoning, it was creative, and that industry probably saw an opportunity and took advantage of it. And they invested so much in it, that they became the unquestioned, leading player in it.

Start with people who are excited, who are talented, enable them to grow their talent, and then from that you will naturally create opportunities that we can be leaders in. Those opportunities will, I am sure, be factored or be affected by our geo-spatial location, but all of them will not be.

Just invest in talent, invest in the economy, allow people and firms to grow.

On CPEC:

CPEC, or the Beltway Initiative, those are powerful opportunities. But another Aitchisonian, Atif Mian, has asked about this, and others have written about this as well, whether we are truly getting what we should be getting out of our relationship with China. If they are only manufacturing products and giving them to you, then you are not acquiring any learning. You are not benefiting from any knowledge transfer or any capacity building. So, its less about whether you do a China deal or not, it's how you do it. This has always been our problem, we have good partnerships that we create, but when we negotiate, I feel we negotiate for the wrong things. When someone comes to your house and is in a position to help, you can either ask them to help feed your family for a few days, or you can ask them to help create opportunities for your family to earn better livelihoods. And I feel that we invariably ask for the former, it may tide us over for a while but it will have only short term advantages, no lasting benefit. So even with China, that's the way I would think about it.

On the potential and promise of Pakistan's youth:

One reason why I am talking to you all and the fact that I am involved with the Center of Economic Research in Pakistan, is that I genuinely think Pakistan's comparative advantage in the world is actually, funnily enough, that we have a young population. Because the world is ageing and they are really struggling with ageing.

I think Pakistan is exactly at that stage where the world is going to be looking towards younger talented people, to recruit, whether physically, or virtually. The world requires that talent. And the question for Pakistan is whether Pakistan will be able to address that need? The answer is youth. Will we be able to respond to that need? Sometimes, we think only in the short term. In policy making we have to be able to project forward ten or twenty years.

And celebrate talent. Wherever you find it, celebrate talent.

You build national discourse on positive talented stories.

But you know, a rising population can also pose a challenge. You have to be able to equip them, provide them with talent and ultimately, provide them with jobs. A failure to do that can lead to frustration, to increased crime and possibly to militancy. You know, the idle mind is the devil's workshop, so it's a two edged sword. It could be an amazing asset, it could be a massive liability. And it's how you deal with it. Right? And this is the moment.

On the negative outlook people have regarding Pakistan's economic situation and the need for hope:

I think if you lose hope, it's very devastating for a nation.

But the reality of resilience of nations or people is that there are some people who face those hardships and give up, just kind of wait for someone to rescue them, and there are some people who look at those hardships and decide that there is no choice but to move forward.

But what that decision will be, fundamentally I feel like it's also what your aspirations and your hopes are. If you are at all hopeful, you are able to get back on your feet, to be optimistic about the future. And my concern is that that resilience may be challenged by a mood. And that, I think, collectively we need to create. You have to celebrate. You don't need big stories. I mean, it's amazing that Hamza Khan won the squash championship. But you know, if that's the only story we can tell, that's not enough. But, maybe a story of some person you have seen on the street, someone who's not so fancy, but they achieved something, made something of themselves.

These are stories we should celebrate, they sound like small stories.

Bhatti Sahab was a photographer, now his son is photographing us. He's continuing a tradition that his father set up for us. That's an amazing story. You have a family legacy, that you are continuing with, and introducing innovations in.

You know, sometimes celebrating the small collectively makes a big deal. And that's what I'd like us to do. I want us to consciously think about how we can revive hope, because it has a huge positive effect. When that hope revives, even if it is somewhat naïve in the beginning, it will create a positive impetus. And that begins to generate movement. And I don't think you need major things to create that hope. I think small things can create hope. Think about your own life, sometimes you're in a great mood. And you should ask yourself what made the difference. And sometimes, the difference is something very small, someone smiled at you and paid you a compliment, that Wali *yaar*, you made a good point. Mikail, that was a very good comment. You feel chuffed, you walk around happy. These are small things. Teachers can do it, parents can do it, friends can do it, random strangers can do it. Those are small acts of generosity, I don't think they cost anything. And I think they create just a bit of a positive energy. It just lightens the mood.

On IMF agreements, inflation and economic hardships:

You should be asking, whenever you borrow any money, what are you doing with it? If that money is not being productively invested, why are you taking it? Pakistan's

problem is not its level of debt, Pakistan's problem is it doesn't invest its money in a sensible way which generates money.

And so, we are in for tough times, but I think sometimes it's important to just recognise that and say yaar we are going to go through some difficult times. Let's do it right now. Let's make sure that they don't get any worse. Acknowledge that we will have to tighten our belts. It's not that that's what the IMF is saying. I think we should go a step further. We should think and say what the tough measures are. I guarantee you, if we adopt tough measures, if we fix our balance of payments, people like the IMF will stop bothering you. The only reason they do it is because they don't see you taking the necessary steps.

Why aren't younger generations coming up and making these policies?

So, my only hope is that sometimes tough situations, maybe I'm trying to be overly optimistic over here, sometimes tough situations make people move. They act like a wakeup call. Allah Willing.

On a potential wish list for improving Pakistan's economic outlook:

I would just do three things. And actually, the rest would follow. I would massively invest in education, and I don't mean only english, urdu, maths, but diversified education. When I say invest in education, I mean mass scale. Everyone should get the opportunity to recognise their talent and to use their talent. And that is not an easy thing to attain. A lot of people spend their entire lives not knowing their calling: am I meant to be a photographer, a gardener, an electrician, an economist, a politician? How do you find that out? And this is not a problem specific to Pakistan, the world over people are facing this problem. Your education system needs to be flexible enough to allow people to discover their innate abilities. We should celebrate people when they take their talent and they deploy their talent. That is what the education system needs: identify talent, celebrate talent, nurture and grow talent. That's one. It's a long term thing, but in a few years you can really start bringing changes, which you can see.

The second thing you need to do is make sure your financial systems are able to give financing to talent. Whether it is in the form of a loan, investment, equity, whatever the structure. When you identify a talented person, and you help them, then you need to provide them with resources as well. So the second thing I would do is, have financial systems whose mandate is to make money, by investing in talent. They may be a little wary of risk. You have to reassure them, encourage them to start. Say Bismillah. And then there's one third thing I would do, which is part of investing in talent. You spoke about resilience. You're right, there is a lot of resilience. But you also see stories of families trajectories getting totally derailed. If a family member dies unexpectedly or suffers an injury, if the family falls victim to an

earthquake or any natural disaster, you can see that that family's trajectory can be majorly affected. The children will no longer be able to study, they will not be able to go to school. So, while I want to make sure we have good health systems, because when we talk about talent, we don't only require physical talent, physical ability, we require health as well. If a person is sick, he will neither be able to work, nor study. But the particular aspect of health that needs to be addressed is health insurances, preventing against shocks. You know, there are families that face sudden health problems, a family member requires a kidney transplant for instance, that requires a crore of rupees in medical expenses. The family will bear the expenses, because, Alhamdulillah, as a people we have the quality where we look after our own. We'll sell everything if need be. And the patient may recover. But the family is now under crippling debt, for life. And so, we as a state should never have any citizen be in a situation where they suffer a shock, a calamity, through no fault of their own, and as a result, their future, their children's future, is compromised for the next several decades. We should not allow that to happen.

I honestly think if you do these three things, this is my naive view of the world, you will start seeing better institutions, you will start seeing more accountability to politicians, you will start seeing people entering politics who are more interested in these things.

There's a great paper by Pakistani researchers Saad Gulzar and Yasir Khan. They have a paper on KPK, on encouraging new people to enter politics. And it doesn't take that much. A bit of a nudge, a little encouragement, a little reassurance that there is not so much risk. Right? But that can only happen when you have a talented pool of people. This talented pool of people are the ones who will demand better services, who will call the Chief Minister's cell if they do not receive adequate service delivery in government offices, who will hold politicians accountable. And this is the pool of people who will enter into these professions, who will eventually become bureaucrats, become politicians, join the Army, go into business. You know, these are the sets of people who change things. That's what I would do. And, I don't think it's that hard. I mean, it's not that easy, but it's doable.