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Reassessing The Impacts of Economic Globalization on Agriculture and Manufacturing Sectors of Pakistan's Economy

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### Abstract

*Economic globalization has acted as a double-edged sword in less-developed countries like Pakistan by creating some opportunities; however, Pakistan faces backwardness in aligning its economy with the rapid pace of globalization. Its agriculture and manufacturing sectors have not kept pace with ongoing challenges. This article, via mixed research, aims to address the existing loopholes in the policies of the government and suggest future courses of action that are essential in addressing these problems. Comparative advantage theory used to analyze the agricultural and manufacturing sectors in the world market highlights the potential areas of improvement for Pakistan's export-led growth. The research exposes internal policy loopholes hindering potential economic growth in the manufacturing sector. Similarly, agricultural productivity is devoured by institutional weaknesses, lack of policies, and lack of implementation of existing policies. Sound and appropriate economic policies at the domestic level, along with international policy coordination, are significant as a way forward.*

**Keywords:** Agriculture, Economy, Growth, Globalization, Manufacturing Sector, Policies, Productivity, Reforms

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### Title

## Reassessing The Impacts of Economic Globalization on Agriculture and Manufacturing Sectors of Pakistan's Economy

### Abstract

*Economic globalization has acted as a double-edged sword in less-developed countries like Pakistan by creating some opportunities; however, Pakistan faces backwardness in aligning its economy with the rapid pace of globalization. Its agriculture and manufacturing sectors have not kept pace with ongoing challenges. This article, via mixed research, aims to address the existing loopholes in the policies of the government and suggest future courses of action that are essential in addressing these problems. Comparative advantage theory used to analyze the agricultural and manufacturing sectors in the world market highlights the potential areas of improvement for Pakistan's export-led growth. The research exposes internal policy loopholes hindering potential economic growth in the manufacturing sector. Similarly, agricultural productivity is devoured by institutional weaknesses, lack of policies, and lack of implementation of existing policies. Sound and appropriate economic policies at the domestic level, along with international policy coordination, are significant as a way forward.*

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### Contents

- [Introduction](#)
- [Literature Review:](#)
- [Methodology](#)
- [Theoretical Framework](#)
- [Overview of Pakistan's Manufacturing Sector](#)
- [Performance Analysis: 2018–2022](#)
- [Challenges to the Manufacturing Sector](#)
- [Opportunities for Revival and Growth](#)
- [Overview of Pakistan's Agriculture Sector](#)
- [Comparative Analysis with India](#)
- [Specific Crop Sectors: Performance and Challenges](#)
- [Policy Recommendations and Strategic Actions for Economic and Agricultural Growth](#)
- [Conclusion](#)
- [References](#)

### Introduction

The examination of the existing literature shows that several studies exist to gauge the net impact of Globalization on Pakistan's economy but are marked by divergence of opinion and show mixed results. The impacts of globalization vary from country to country based on the political, social, and economic landscape. Despite the unprecedented impact of economic globalization, Pakistan, a country marked by weak institutional infrastructure and internal distortions, has

not been able to cash on the opportunities proposed by globalization. Along with analyzing the impacts of globalization on the overall economic performance of Pakistan, a thorough and sector-specific analysis and reassessment of such impacts is inevitable. The best side of globalization is the effectiveness and opportunity of the creation of the free market (Bhatti & Fazal, 2020b). Many studies have accentuated the pros of globalization for Pakistan's economy. Globalization, particularly economic globalization, has had multifaceted impacts on





Pakistan's industrial sector. The upsurge in agricultural productivity and expansion of the manufacturing sector in Pakistan can be attributed to the rapid transfer of technological advancement and know-how. Moreover, it provides an opportunity for the country to make use of its cotton and export fabrics to the rest of the world. Opportunities like access to the free market, growth of agriculture and manufacturing sector through FDI, creating greater competition among firms and aiding consumers who get access to these products at relatively lower prices, improving standards of living and thereby decreasing poverty show one side of the coin. On the contrary, Pakistan's agriculture and manufacturing sector has not shown spectacular growth under economic globalization owing to multiple reasons. The adverse impacts in the form of environmental degradation and climate change induce food insecurity (Khurshid, 2023). Moreover, the hurdle that has curtailed Pakistan's economic growth is the immense policy vacuum and lack of implementation of the policies. Therefore, consideration of the potential policy loopholes, lack of comparative advantage, weaknesses in the institutional infrastructure, and inquiry of the critical issues to maximize Pakistan's economic growth in the era of perpetuating globalization is essential to propose a way forward.

### **Literature Review:**

#### **Impacts of Globalization on Agricultural Productivity and Competitiveness of the Manufacturing Sector**

There is a divergence of opinions on the integration of the domestic economy with the outside world. Less developed countries have gained as well as suffered from globalization. The massive technological change, liberalization of trade, and investment flows have impacted trade patterns in unprecedented ways. For the winners of globalization, it is an integrating phenomenon; while for losers it remains a marginalizing concept. The pros of globalization for Pakistan's economy include the effectiveness and opportunity of the creation of a free market (Bhatti & Fazal, 2020b). The opening of the economy has shown to have good impacts on income distribution in developing countries like Pakistan (Hussain, Chaudhry & Hassan, 2009). Globalization has created opportunities for developing and developed countries by expanding the size of markets, creating greater competition among firms, and aiding consumers who get access to these products at relatively lower prices (Globalisation and Its Impact on Pakistan, 2019). Moreover, Globalization also contributes to the enhancement of agriculture and manufacturing sectors through FDI. The upsurge in agricultural productivity and expansion of the

manufacturing sector can be attributed to the rapid boom of technological advancement and know-how. The availability of raw materials because of cross-border mobility also adds significantly to the economic growth of Pakistan (Bhatti & Fazal, 2020b).

However, Pakistan's liberalized economy has not experienced spectacular growth under increased globalization; its exports have not kept pace with the rest of the world. For Pakistan, the main challenge is to align her economy with the rapid growth promised by globalization. Pakistan has a poor system of utilization of abundant resources owing to the lack of technology, exploitation, and poor policy mechanisms. Agriculture is one of the pivotal sectors of Pakistan's economy with more than half of the population directly dependent on it. The growth of agriculture and associated sub-sectors such as crops, forestry, fisheries, and livestock are crucial for the country's economy. However, environmental degradation because of globalization adversely affects the agricultural output in Pakistan. The agricultural GDP declined to 18.5 percent (Minahil et al., n.d.). Pakistan is highly dependent on natural resources in the form of land, natural gas, coal, oil, salt, etc. Increasing industrialization and urbanization increase the demand for natural resources and foster degradation. Land degradation reduces agricultural output by contributing to soil salinity. Moreover, conventional methods of cultivation and low-quality seeds reduce agricultural output. The increasing annual temperature affects annual production as many crops are sensitive to extremes (Abbas, 2022). Pakistan Council of Research in Water Resources has warned that Pakistan may become dry by 2050. Water scarcity poses a threat to respective food security and agricultural output.

Similarly, Pakistan's manufacturing sector is one of the most highly protected sectors among developing countries. The industrial sector in Pakistan accounts for 24% of the total GDP, making it the second-largest sector in the economy.

Pakistani exports have remained stagnant while world exports witnessed a sharp increase of 5% annually. The levels of tariffs have always been high. However, maximum tariffs have been reduced in recent years to promote competitive and efficient industries. There is a lack of industrial performance due to the lack of infrastructure, energy, credit availability, and domestic as well as foreign investment. Concentrating exports to a few goods also hinders international competitiveness. The international competitiveness of the textile sector decreased from 2003 to 2014. (Husain, 2001).

### **Methodology**

Keeping in view the explanatory nature, the research

undertaken is based on mixed methodology, using both quantitative and qualitative methodologies. Moreover, the mixed methodology is conducive to effectively gauging and analyzing the causal relationship between the variables involved. Data is extracted from both primary and secondary sources. Prior research commenced on the topic under study by various scholars, think tanks, etc. is employed to identify the potential statistical gaps. The data collected previously is analyzed for the identification of systematic patterns and better conduct of the research. When it comes to analyzing the impacts of globalization on the key sectors of Pakistan's economy, one cannot miss the importance of first-hand quantitative data. Therefore, a major part of the research is dedicated to the analysis of data patterns.

As a primary source, statistics were derived from the national statistical agencies and documents such as the Pakistan Economy Survey and National Bureau of Statistics in addition to the data on trade, investment, production employment, technology adoption, etc. Utilization of such statistics from research agencies, international organizations, and national statistical agencies enabled the researchers to quantify the analysis and form a consistent pattern to explore the impacts of globalization on key sectors of Pakistan's economy in a broad way.

### **Theoretical Framework**

A significant theoretical gap persists in existing literature regarding the research topic. Considering this immense theoretical gap, the comparative Advantage Theory' is applied to evaluate and reassess Pakistan's economic growth through a sector-specific analysis vis-à-vis other states in the global market. Comparative Advantage Theory proposed by David Ricardo accentuates countries' gains from trade based on relative efficiencies in producing services and goods. The application of this theory to the agricultural and manufacturing sectors is significant to highlight the potential areas of improvement for Pakistan's export-led growth in terms of enhanced agricultural productivity and competitiveness in the international market in terms of manufactured goods. Additionally, theory is essential to provide an analysis of the comparative advantages and disadvantages of the aforementioned sectors of Pakistan's economy in the global market. It helps to identify the areas where Pakistan could face challenges in the form of global competition and the areas where Pakistan has a comparative edge.

Competitiveness in the manufacturing sectors in the global economy means producing products with comparatively better quality, price, and quantity. Due to globalization, particularly economic globalization,

international competition in the global market in terms of manufactured products has enhanced. Therefore, examination of Pakistan's value-added exports to reveal the systematic patterns of advantages and disadvantages is vital to allow Pakistan to exploit the immense opportunities presented by globalization in the global market and increase its export earnings. There is a lack of performance in industries because of a lack of infrastructure, energy, and credit availability, domestic and foreign investment. Concentrating exports to a few goods also hinders international competitiveness.

Pakistan has had a comparative advantage in the global market with the export of products like textiles. On one hand, there is a decline in exports because of the reduction of the comparative advantage of food, chemicals, textiles, and agricultural products such as rice, and on the other hand, Pakistan has been doing quite well in sustaining its comparative advantage in the form of increased exports of sports items, such as football. This further drives our attention to the significance of quality, price, and quantity to get a comparative advantage over other states in the global market. Due to the immense policy vacuum and undiscussed issues of the LSM, the weight of the textile sector has reduced to 18.16 from 20.9. Multiple factors have contributed to this sharp decline, such as the depreciation of the rupee, the energy crisis, and the surge in imports of textile machinery, etc. Moreover, Pakistan faces competition from its regional counterparts such as Bangladesh and India, which are immensely taking over Pakistan's comparative advantage in the global market. This is due to the fact, that Pakistan's manufacturing lacks quality and diversification.

### **Pakistan's Manufacturing Sector: Opportunities and Challenges:**

#### **Overview of Pakistan's Manufacturing Sector**

The manufacturing sector in Pakistan, which comprises three sub-sectors: slaughtering, small-scale manufacturing, and Large-Scale Manufacturing (LSM) plays a vital role in the economic growth. It contributes to the country's GDP by around 12.4%. Large-scale manufacturing occupied a share of 80% in 2018 and 9.2 percent in 2022 in Pakistan's manufacturing sector and 10.8 percent in 2018 to 9.2 percent in 2022 in the overall GDP. The small-scale manufacturing sector contributes 13.8 % share and slaughtering has a share of 6.5 percent in manufacturing.

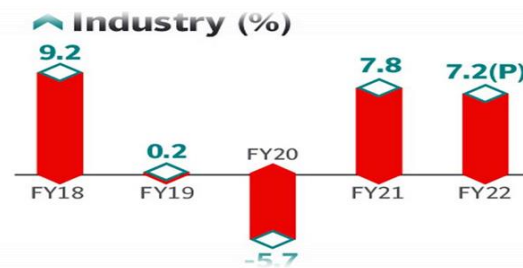
#### **Performance Analysis: 2018–2022**

A comparative examination of the overall performance of the manufacturing sector from 2018-2022 indicates that, in 2018, the manufacturing sector witnessed a

stellar growth of 9.9 percent. Whereas it saw an upward trajectory in 2022 with a 12.4% share of the total GDP. The examination of the performance of the sub-sectors of the manufacturing sectors in a segregated way suggests that large-scale manufacturing faced external shocks of globalization in the form of the COVID-19 pandemic and the Russia-Ukraine war, halting the stimulation of Pakistan's manufacturing sector. Nevertheless, all of the three sub-sectors of the

manufacturing sector witnessed a settler revival by showing signs of an upward trajectory. Despite the blow of these events, particularly in terms of reduction in manufacturing activities because of continuous lockdowns and the immense energy crisis, small-scale manufacturing, slaughtering, and large-scale manufacturing have been moving in an upward trajectory. Pakistan's industrial growth revived to a substantial magnitude as shown in the figure below.

**Figure 1**



Source: The Express Tribune

The LSM witnessed a growth of 10.4 percent in 2022 which was comparatively low in 2021 with 4.24 percent. Pakistan's LSM sector comprises prominent products such as Wood products, Footballs, Iron & Steel Products, Furniture, Tobacco, Machinery, Chemical Products, and Equipment.

The textile sector witnessed a sharp decline from 20.9 to 18.16 percent; the Food group saw a growth of 11.7 percent. Petroleum and Coke products witnessed a marginal growth of 2.0 percent. A vigorous growth of 54.1 percent was witnessed in the automobile sector. Iron and steel production witnessed a growth of 16.5 percent. The table below shows the production of items in Large-Scale Manufacturing.

**Table 1**

*Production of Selected Industrial Items of Large-Scale Manufacturing*

S#	Items	Unit	Weights	July-March		% Change	% Point Contribution
				2020-21	2021-22		
1	Deepfreezers	(Nos.)	0.167	68,947	84,205	22.13	0.04
2	Jeeps and Cars	(Nos.)	2.715	114,617	177,757	55.09	1.41
3	Refrigerators	(Nos.)	0.246	928,170	1,024,335	10.36	0.02
4	Upper leather	(000 sq.m.)	0.398	13,324	10,966	-17.70	-0.06
5	Cement	(000 tonnes)	4.650	37,619	36,543	-2.86	-0.21
6	Liquids/syrups	(000 Litres)	1.617	86,212	144,638	67.77	1.30
7	Phos. fertilizers	(N tonnes)	0.501	545,612	601,184	10.19	0.06
8	Tablets	(000 Nos.)	2.725	20,380,940	14,695,108	-27.90	-0.85
9	Cooking oil	(tonnes)	1.476	334,107	370,181	10.80	0.21
10	Nit. fertilizers	(N tonnes)	3.429	2,450,066	2,505,757	2.27	0.09
11	Cotton cloth	(000 sq.m.)	7.294	786,042	788,285	0.29	0.02
12	Vegetable ghee	(tonnes)	1.375	1,087,827	1,060,111	-2.55	-0.05
13	Cotton yarn	(tonnes)	8.882	2,577,675	2,594,690	0.66	0.07
14	Sugar	(tonnes)	3.427	5,618,976	7,759,825	38.10	2.13
15	Tea blended	(tonnes)	0.485	100,566	112,544	11.91	0.06
16	Petroleum Products*	(000 Litres)	6.658	-	-	2.10	0.01
17	Cigarettes	(million No)	2.072	39,473	46,070	16.71	0.38

\*Due to different weights within Petroleum products, total output cannot be calculated.  
Source: Pakistan Bureau of Statistics (PBS)

### Challenges to the Manufacturing Sector

Although the economic data from 2018-2022 regarding the performance of the manufacturing sector indicates an upward trajectory, this doesn't necessarily indicate that

Pakistan has been able to fully translate the immense opportunities presented by Globalization. Globalization demands diversification of production and Pakistan has not been able to diversify its manufacturing sector. Most



of Pakistan's locally manufactured products are similar to the ones that have been in place for several decades.

The aforementioned evidence depicts that globalization has positively impacted the manufacturing sector but the magnitude of impacts differs from one sector to another. These positive impacts of globalization highlight the potential of globalization to increase economic growth and contribute to the manufacturing sector in Pakistan.

Keeping in view the increased competition in the international market, it is argued that globalization has been least favorable to countries like Pakistan. This is mainly attributed to Pakistan's inability to penetrate the international market for manufactured goods. The manufacturing sector in Pakistan is facing a boom and bust owing to the problems of low production capacity of firms, lack of innovative ideas, and orthodox ways of manufacturing. The lack of diversity, low exposure to foreign markets, lack of competitive position, less focus on intellectual human development, and lack of research hinder the performance of the manufacturing sector (Ur Rahman & Bakar, 2019).

The internal policy loopholes persisting at the national and sub-national levels have hindered Pakistan's potential economic growth, particularly in the Manufacturing sector. Although the federal and provincial governments have given certain initiatives to facilitate the manufacturing industries, the extent to which these strategies and policies have been implemented is marked by ambiguities.

### **Opportunities for Revival and Growth**

Globalization has had a significant impact on Pakistan's overall GDP. Pakistan's exports have not matched the sharp increase in the exports that other states have been able to achieve. Initiatives such as CPEC have supplemented Pakistan's manufacturing sector by establishing special economic zones in cities like Pishin, Faisalabad, and Sialkot. This is a positive impact of globalization to enhance the large-scale manufacturing in the country particularly. However, the provision of the less incentives to support the FDI in the manufacturing sector from other actors such as MNCs and individuals in the manufacturing sector has hindered the scale of production in the country (Husain, 2001).

### **Pakistan's Agriculture Sector: Challenges, Opportunities, and Comparative Analysis: Overview of Pakistan's Agriculture Sector**

Pakistan's agriculture sector, contributing to more than half of the GDP is unqualified to partake in an unending race of economic globalization. Agricultural productivity is devoured by institutional weaknesses,

lack of policies, and lack of implementation of existing policies. The government does not guide the selection of crops, resulting in farmers choosing cash crops that give them maximum benefits. This leads to a demand-supply imbalance annually. Pakistan produces the best citrus in the world, however, is unable to catch the opportunity to export it to the world market. Moreover, the country is unable to capture the European markets due to the lack of knowledge regarding the appropriate fertilizer. Farmers are highly uneducated, and they adopt the profession on the mere basis of heritage. There are small land sizes that do not leave much room for experimentation. Orthodox means of irrigation and expensive irrigation methods, fertilizers, and seeds put further constraints on agricultural productivity. The threat of combatting climate change and subsequent crop loss requires an essential role of government, however, it remains inefficient to produce fruitful public service messages and provide guidance to farmers on crop cultivation according to the patterns of climate change.

There is a lack of Kisan unions, an absence of farmer-centric policies, a lack of research and development, and few agricultural universities where agriculture is taught as a subject. The government lacks short-, medium-, and long-range goals and does not provide enough subsidies and support to the farmers. Schemes vary with subsequent governments and priority is given to populism. There is a struggle between the industrial elite dominated by PMLN and the agricultural elite dominated by PPP in policy making. When the industrial elite comes to power, little attention is paid to agricultural development. PTI government announced the National Agriculture Emergency Program to integrate technology in the agriculture sector. "The country lacks cutting-edge technology, and the National Agriculture Emergency Program will help transform the agriculture and livestock sector on modern grounds," said Mr. Tareen. He further claimed the building of infrastructure and direct access to wholesale markets for farmers. It was believed that the initiative would solve some of the problems of the agricultural sector. This budget was criticized subsequent governments failed to achieve the desired output. The disparity in development among provinces also remains a major problem.

Provincial governments are unable to achieve desired outcomes. Moreover, the introduction of new agricultural methods is resisted by local farmers. There is a lack of incentivization for farmers to change practices and they are not encouraged to produce better quality products. Lack of incentives and lack of focus on their behalf makes farmers easily manipulated where they shut down their production and shift to alternate options which can garner them more benefits. Now this



farmer is no longer a commercial farmer and reentry into the market is a daunting task that hinders productivity.

### **Comparative Analysis with India**

It is argued that Pakistan has a comparative advantage in terms of agricultural products but is unable to exploit this opportunity. Pakistan lacks a comparative advantage compared to India. Ever since independence, India has adopted inward-looking economic policies to protect the domestic market and has invested in Indian Institutes of Management (IIMs) and Indian Institutes of Technology (IITs). In the 1960s, the Green Revolution converted India into a modern industrial system with the adoption of technology, high-quality seeds, fertilizers, and pesticides. From 1990 onward, economic liberalization was promoted and further continued under the BJP government by promoting confidence-building measures in international and domestic investors. India gives way more subsidies to its agricultural sector, thereby reducing the cost of production. Comparatively, Pakistan does not protect farmers and impose import tariffs. Moreover, the development of the middle class and technological advancement helped India produce better economic growth as compared to Pakistan. As of 2020, India's GDP was 10 times higher and its 'per capita income was 1.56 times higher than Pakistan's. In 2021, Pakistan was ranked 87 in the economic complexity index and India was ranked 41. In 2021, Afghanistan and Comoros imported more from Pakistan than India while U.S., UAE, and China imported more from India than Pakistan. India enjoys a self-sustenance of the agriculture sector and a trade surplus of cotton, oil cakes, and vegetables that Pakistan lacks.

### **Specific Crop Sectors: Performance and Challenges**

In terms of Mango production, Pakistan is one of the leading exporters in the world, 7th after Mexico, India, Brazil, etc. UAE, Saudi Arabia, and the Netherlands are the main destinations. Pakistan's mango export decreased by 4 percent from 2011 to 2015 among European markets such as Germany, Belgium, France, and the Netherlands. Middle Eastern countries import mangoes mainly from India and Pakistan, hence India is the main competition in this regard. Pakistan's Mango trade has undergone a changing comparative advantage from time to time. Poor quality of mangoes, short lifespan, under standard products with issues of noncompliance, breach of the limit of pesticide use, and poor packaging decrease Mango exports of Pakistan. In terms of the export of chilies, importing countries demand control of toxins whereas aflatoxins in chilies from Pakistan are the main source of concern for their

export to countries like the U.S., the U.K., the Netherlands, and Germany. Similarly, the cotton sector is crucial for value addition in the overall economy. Pakistan has a comparative advantage in cotton exports and a comparative disadvantage in cotton imports. The country is unable to boost exports of its cotton due to a lack of modern technology, lack of infrastructure, and high production costs.

### **Policy Recommendations and Strategic Actions for Economic and Agricultural Growth**

Pakistan is more a recipient of globalization than a participant. There is a necessity to shift from passive to active involvement. To benefit from the greater opportunities presented by globalization in terms of maximizing the manufacturing output and competitiveness in the international market, Pakistan needs to adopt, sound, and appropriate economic policies at the domestic level along with international policy coordination. The expansion of trade in Pakistan has not been as convincing as should have been amidst rapid globalization (Bhatti & Fazal, 2020b). Policymakers need to participate in the race of economic globalization to shift the course to international trade, technology, labor flows, and foreign direct investment instead of relying on IFIs and foreign aid. In the wake of recent developments like the CPEC, Pakistan requires sustenance of investment-led growth (Hamdani, 2015).

The lack of reforms and the implementation of the already existing policies depict a significant loophole. In the wake of international competition, the loss of labor-intensive industries owing to less development is also concerning for policymakers. Pakistan should develop its labor-intensive industries and target domestic and international markets. The government should provide a suitable environment for the realization of stated objectives. Additionally, Pakistan needs to create stable economic policies and capable institutions in addition to economic stability which are crucial to attract Foreign Direct Investment by enhancing the credibility of government.

Pakistan must focus on macroeconomic imbalance, making strong economic policies, achieving political stability, and improving the condition of law and order to keep pace with competitive globalization. Moreover, small and medium enterprises should be focused primarily on the real economic output (Ur Rahman & Bakar, 2019).

The growth of the manufacturing sector can be made possible by investment from both local and foreign investors. Liberalization of Imports and exports, removal of import tariffs, export duties and subsidies, the introduction of new seed varieties, and efficient use of

water have helped to amplify manufacturing output, making agricultural products competitive in the international market (Hamdani, 2015).

Pakistan has full potential to cash out of agricultural productivity owing to the favorable climate, suitable soil, and irrigation system at its disposal, however, the agricultural sector needs reforms and modernization. Political will is crucial to produce able and value-added agricultural products. Pakistan needs to maintain the export quality of chilies with low aflatoxin levels. Similarly, the export of mangoes needs the will of farmers and effective steps by the government to improve their quality. In terms of cotton production, the government needs to facilitate export through public-private sector partnerships and new production techniques. Moreover, in addition to the role of the federal government, provincial governments can take steps towards incentivizing farmers, improving means of transportation, and creating economic zones. Agricultural output can be facilitated by promoting the use of advanced techniques, agricultural research, and upgradation of infrastructure. India-Pakistan water issues need to be resolved, awareness programs should be initiated on the atrocities of climate change and construction of dams should be promoted. Moreover, Pakistan's policy framework for maximizing its economic growth is marked by significant loopholes. The general view on policies in maximizing economic growth in the era of globalization converges on the point that, to benefit from globalization, sound, and appropriate economic policies at the domestic level along with international policy coordination are crucial (Minahil et al., n.d.).

## **Conclusion**

Globalization is a phenomenon growing at a rapid pace with a plethora of risks and opportunities. For the winners of globalization, it became an integrating phenomenon, while for losers it remains a marginalizing concept. On one hand, many studies have accentuated the pros of globalization for Pakistan's economy while on the other hand, many scholars are skeptical and do not consider economic globalization desirable for Pakistan.

The indication of the upward trajectory of economic data from 2018-2022 regarding the performance of the manufacturing sector doesn't necessarily indicate that Pakistan has been able to fully translate the immense opportunities presented by Globalization. Keeping in view the increased competition in the international market, it is argued that globalization has been least favorable to countries like Pakistan. Globalization has positively impacted the manufacturing sector, but the magnitude of impacts differs sector-wise. Pakistan has not been able to diversify its manufacturing sector, and illegal trade takes away the comparative advantage that the country has in terms of manufactured goods. Pakistan has a comparative advantage in the global market in the export of textiles and sports items whereas there is a reduction of comparative advantage of food, chemicals, textiles, and agricultural products such as rice. Similarly, agricultural productivity is devoured by institutional weaknesses, lack of policies, and lack of implementation of existing policies. It is argued that Pakistan has a comparative advantage in terms of agricultural products but is unable to exploit this opportunity. Pakistan is unable to make use of comparative advantage and boost exports of cotton due to a lack of modern technology, lack of infrastructure, and high production costs. Poor quality, short lifespans, issues of noncompliance, breach of the limit of pesticide use, and poor packaging decrease Mango exports in Pakistan. To benefit from the greater opportunities presented by globalization in terms of maximizing the manufacturing output and competitiveness in the international market, Pakistan must focus on macroeconomic imbalance, making strong economic policies, achieving political stability, and improving the condition of law and order. Moreover, in addition to the role of the federal government, provincial governments can take steps towards incentivizing farmers, improving means of transportation, and creating economic zones. The general view on policies in maximizing economic growth in the era of globalization converges on the point that, to benefit from globalization, sound, and appropriate economic policies at the domestic level along with international policy coordination remain crucial.

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