

UNIVERSITY OF THE PEOPLE

BUS 1103-01 Microeconomics- AY2024-T1

Written Assignment Unit 1

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The article titled "Purdah Disempowers Pakistan's Women and Weakens Its Economy" explores the microeconomic challenges facing Pakistan and the significant role of gender dynamics, particularly the practice of purdah (gender segregation), in shaping its economic performance. Written by Ian Coxhead from the University of Wisconsin-Madison and Sisira Jayasuriya from Monash University, the article highlights how Pakistan's economic struggles, including issues related to balance of payments and export competitiveness, are exacerbated by limited female labor force participation and gender inequality. It draws comparisons with Bangladesh to underscore the potential benefits of greater gender equality in the labor force and its broader economic impact.

The article begins by noting recent events in Pakistan, such as elections and warnings of a payments crisis, which have refocused attention on the country's structural economic challenges. Proposed solutions, including obtaining new loans and selling state assets, are deemed inadequate to address these deeply rooted issues. It argues that Pakistan's economic difficulties are fundamentally microeconomic in nature, stemming from inefficient resource allocation and a failure to attract new investments. A crucial aspect of this predicament is Pakistan's inability to efficiently integrate its substantial labor force into global supply chains.

The authors delve into the impact of political instability on Pakistan's economic performance but emphasize that the nation's long-term struggles cannot be solely attributed to these conflicts. Neighboring South Asian countries facing similar challenges have achieved superior growth and stability. Bangladesh is presented as a prime example of a country that has outperformed Pakistan in various economic indicators despite facing issues like poverty, corruption, and political instability. The key divergence lies in Bangladesh's active participation in the global manufacturing system, particularly its labor-intensive garment manufacturing sector.

The article highlights the significant role of Bangladesh's dynamic garment sector in driving export growth, while Pakistan's export performance lags behind. This disparity is partly attributed to Pakistan's strict adherence to purdah, which limits women's access to formal labor markets and opportunities in export-oriented manufacturing. The article underscores that both Pakistan and Bangladesh have low female labor force participation rates, but Pakistan's rate is notably lower. This gender imbalance severely restricts Pakistan's labor pool, particularly in urban areas, hindering the growth of its female labor-intensive industries and its ability to attract foreign investments.

Additionally, the article points out that Pakistan's strict interpretation of purdah has other economic costs, such as women being predominantly employed in low-productivity, informal occupations in rural agriculture. This perpetuates gender-based income disparities and the dowry system, leading to mistreatment and violence against women.

The impact on individual household economics is significant, with limited female labor force participation and gender inequality leading to lower household incomes and financial dependence on men. Reforming societal norms surrounding purdah and empowering women economically are essential steps to unlock Pakistan's untapped economic potential.

The article is compelling due to its exploration of the intertwined relationship between gender dynamics and economic performance. It highlights how restrictive practices like purdah have tangible economic consequences, offering insights into the potential benefits of gender equality for Pakistan's economy.

I concur with the author's assessment that addressing gender inequality and promoting women's participation in the labor force is essential for improving Pakistan's microeconomic

situation. Gender equality is not only a matter of social justice but also a catalyst for economic growth and stability. Reforms in this regard can unlock Pakistan's untapped economic potential and foster a more equitable and prosperous society.

In conclusion, the article emphasizes the importance of structural reforms that promote gender equality and increase female labor force participation to address Pakistan's microeconomic challenges. It highlights the potential benefits of drawing lessons from countries like Bangladesh and fostering a more equitable and prosperous society in Pakistan. These reforms, coupled with opening the economy to global production networks and attracting foreign investments, can contribute to economic growth and stability.

References:

Coxhead, I. (2023). Purdah.Pakistan's women and weakens its economy | East Asia Forum. *East Asia Forum*. <https://www.eastasiaforum.org/2018/08/30/purdah-disempowers-pakistans-women-and-weakens-its-economy/>

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