

Latest Issue

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ABSTRACTS

Technical Efficiency of Pakistan's Manufacturing Sector: A Stochastic Frontier and Data Envelopment Analysis

MUSLEH-UD DIN, EJAZ GHANI, and TARIQ MAHMOOD

This paper examines the efficiency of the large-scale manufacturing sector of Pakistan using parametric as well as non-parametric frontier techniques. Production frontiers are estimated for two periods—1995-96 and 2000-01—for 101 industries at the 5-digit PSIC. The results show that there has been some improvement in the efficiency of the large-scale manufacturing sector, though the magnitude of improvement remains small. The results are mixed at the disaggregated level: whereas a majority of industrial groups have gained in terms of technical efficiency, some industries have shown deterioration in their efficiency levels. The results from both the approaches are consistent, and in line with similar studies.

**Myths and Realities of Long-run Development:
A Look at Deeper Determinants**

LUBNA HASAN

It has long been realised that factor accumulation and technological development are only proximate causes of economic development, and the focus has now shifted to investigating the 'deeper determinants' of economic growth. Two such forces are highlighted in the literature: institutions and geography. However, it remains controversial as to which of these two is the more important. The "institutions school" assigns primal

importance to institutions, whereas the “geography school” considers geographical factors as the primary determinant of the economic performance of countries. This paper reviews the debate surrounding these “deeper determinants” of economic performance. It reviews the work of these two schools of thought and their interpretation of the long-run development. The paper then examines the evidence provided by the respective schools in favour of their hypotheses. It concludes in favour of the Institutions hypothesis as the Geography school does not provide a consistent story of long-run development.

Labour Supply and Earning Functions of Educated Married Women: A Case Study of Northern Punjab

EATZAZ AHMAD and AMTUL HAFEEZ

This study analyses labour supply of educated married women in Mandi Bahauddin, a typical district of northern Punjab in Pakistan. The study finds that the education level and economic compulsion are important factors affecting women’s labour force participation decision. But, otherwise, they are independent in their decision-making, e.g., the women living in joint families or those with less educated husbands and/or parents are not socially constrained in terms of participation. Human capital variables like education, experience, and training, besides the nature of occupation and distance from the central city, are the important factors affecting women’s earning rates, while the hours of work are mainly determined institutionally.

Digital Divide: An Econometric Study of the Determinants in Information-poor Countries

TASNEEM ZAFAR and KHALID AFTAB

There can not be two opinions on the importance of Information and Communication Technology (ICT) for economic development. However, real disparities exist in access to and use of ICT across countries. The digital divide is a complicated matter of varying levels of access, basic usage, and applications of ICT among countries and peoples. Using the Gompertz Technology Diffusion model, this paper attempts to measure the contribution of factors such as affordability, knowledge, infrastructure, human capital, trade openness, and economic and social environment in the technology diffusion process, specially in the case of information-poor countries.