

VOL. 1, Number 2, December 2007

ISSN: 1993 - 5765

JOURNAL OF
BUSINESS
STRATEGIES

RESEARCH JOURNAL FACULTY OF MANAGEMENT SCIENCES

#2

Greenwich University

PATRON

Ms Seema Mughal

Vice-Chancellor

Greenwich University, Karachi

EDITOR

Dr Muneer Ali Shah Rizvi

Associate Dean

Faculty of Management Science & Information Studies

Greenwich University, Karachi

ADVISORY BOARD

1. PROF DR RAFAT KARIM

Dean, Faculty of Arts and Registrar

Greenwich University

Karachi

2. PROF DR ANWAR ALI SHAH G. SYED

Dean, Faculty of Commerce &

Business Administration

University of Sindh

Jamshoro

3. PROF DR NASEER ALI KHAN

Director, Institute of Management Sciences

Peshawar

4. DR MUHAMMAD BUX BURDI

Associate Professor, department of Public Administration

University of Sindh

Jamshoro.

EDITORIAL BOARD

- 1. PROF DR. JOHN DAVIS**
Department of Agriculture and Food Economics
AFBI-Queens University Belfast
New forge Lane, Belfast BT9 5PX
United Kingdom.

- 2. PROF CHRISTOPHER ABRAHAM**
S.P. Jain Centre of Management
Singapore

- 3. PROF DR AMANAT ALI JALBANI**
Department of Management Science
SZABIST, Clifton, Karachi – Sindh.

- 4. PROF DR SHAFIQ-UR-REHMAN**
Head of Economics Department
University of Karachi
Karachi – Sindh

- 5. PROF DR ZAREEN ABBASI**
Department of Management Sciences
University of Sindh, Jamshoro

- 6. PROF DR IMDAD ALI ISMAILI**
Director
Institute of Information Technology
University of Sindh – Jamshoro

- 7. PROF DR AHSANDAS MANWANI**
Sukkur Institute of
Business Administration
Sukkur

- 8- DR LUTUF ALI PHULPOTO**
Associate Professor
Department of Commerce
Shah Abdul Latif University
Khairpur Mirs

CONTENTS

Articles	Page No.
Dr Anwar Ali Shah G.Syed & Ms. Hina Shah Livestock Financing in Pakistan	1
Dr Lutuf Ali Phulpoto Foreign Trade in Pakistan – Overview of its Performance from 1947/48 to 2005/06	17
Bisharat Hussain Shah Agricultural Financing to bring Radical Changes in Pakistan – A Step towards Poverty Alleviation.	26
Amir Ali Shar & Dr Noor Muhammad Jamali Micro-Financing with its Strategies & Opportunities – the Darling of the Development Community	34
Dr Anwar Ali Shah G.Syed & Muhammad Munir Ahmedani Role of DFIs to Uplift Cotton Textile in Sindh – Pakistan (1990-2000) in the Perspective of Managers of Textile Industry.	43
Dr Noor Muhammad Jamali & Dr Muneeruddin Soomro Small Scale Industries of Rural Sindh- A case Study of Marketing and Financial Problems of “Sindh-Jo-Ajrak”	61
Bisharat Hussain Shah & Dr Wasimuddin Performance Appraisal of the West & East Punjab Provinces – A Challenge to Agric Sector of Pakistan.	72
Dr Muneer Ali Shah Rizvi & Bisharat Hussain Shah Irrigation System of Sindh is in cataclysm.	85

EDITORIAL

Identifying and utilizing the services of best professors and domain's local and foreign experts, regardless of their institutional affiliations is the main task of Greenwich University. The research policy of the Greenwich University, irrespective of upholding the international standards, strains to conduct an original investigation to gain knowledge and understanding.

The second issue of the "Business Strategies: J" contains 8 research papers. These papers represent a wide range of subjects, like Finance, Banking, Management, and Marketing etc and are important to the readers of the developing countries of the region in general and to Pakistani readers in particular.

There are two papers on "Livestock Financing in Pakistan" and "Role of DFIs of Cotton Textile Industry in Sindh Province of Pakistan during last decade (1990-2000) in the Perspective of Managers of Textile Industry" by Dr. Anwar Ali Shah et al, while Muhammad Munir Ahmedani co-authors, respectively. In first paper the author et al has brought into light the ground facts of the agricultural financing in Pakistan and has recommended remedial measures, for formal lending to small farmers, who encompass more than 65 % of the farming community, but are kept deprived of the formal credit by the lending institutions. In the second paper, the role of DFIs for uplift of cotton textile industry in Sindh-Pakistan was discussed in detail and certain backward linkages were developed with the agriculture sector by the authors.

Dr. Lutuf Ali Phulpoto has highlighted the performance of the foreign trade since the birth of Pakistan and has suggested the measures that could boost the foreign trade of Pakistan.

There are two papers on "Agricultural Financing to bring Radical changes in Pakistan- A step towards Poverty Alleviation" and "Performance Appraisal of the West and East Punjab Provinces-A Challenge to Agric Sector of Pakistan" by Bisharat Hussain Shah & et al. In his first paper he has articulated not only the problems of agricultural financing in Pakistan but also has suggested the counteractive efforts, that agricultural financing can bring radical changes in Pakistan towards poverty alleviation and in second paper, an appraisal was made between the performance of West and East Punjab Provinces in agriculture sector.

Mr. Amir Hussain Shar et al has highlighted the Strategies and Opportunities in Micro financing and has described its importance as darling of the development community.

There is also the Small Scale Industries of Rural Sindh- A Case Study of Marketing and Financial Problems of "Sindh Jo Ajrak" analyzed and evaluated by Dr. Noor Muhammad Jamali and et al.

Dr. Muneer Ali Shah Rizvi et al, on "Irrigation System of Sindh is in Cataclysm" has critically analyzed and evaluated the issues and the role played by the policy-makers towards irrigation system of Sindh province.

The Editorial Board welcomes from readers any suggestions for further improving the technical standard, presentation and usefulness of the Journal.

Muneer Ali Shah Rizvi, Ph.D. (UK)
Editor

LIVESTOCK FINANCING IN PAKISTAN

Dr Anwar Ali Shah G. Syed*
Ms. Hina Shah

ABSTRACT

According to a study conducted by "International Food Policy Research Institute", FAO,¹ covering period 1970 to 1995, of the developing and under developed countries, the market value of the increase in milk and meat production in this period remained US \$153 billion, more than twice the value of the increased consumption of wheat, rice and maize. Consumption of animal food will grow even in future. It has been predicted that meat production would grow four times as fast in developed countries as in developed ones. It will also increase demand for cereals to feed their livestock. Accordingly, cereal shipments from North to South will expand to fulfill the new demands. By 2020, it is estimated that developing countries will produce 60% of the world's meat and 52% of the world's milk.²

Livestock contributes to food security through their multiple roles in Asian farming systems and earnings even a small amount of animal products correct micronutrients deficiencies in the cereal-based diets of the poor. Livestock are an important and regular source of income and often the only insurance against the crop failure.

Agri Scientists describe livestock as an important source of natural, financial and social capital. It is Natural capital in terms of providing meat, milk, wool, hide, financial capital as it is a source of cash in case of sale, savings, credit, insurance, gift etc. Social capital, as it represents traditions, wealth, prestige, identity, respect, friendship, marriage dowry, and festivity etc.

Because of the increase in population at a much higher growth rate and favorable economic conditions, the demand for Livestock products, mainly milk and meat, in developing countries has risen sharply in the last decade. According to conservative estimate, this would be doubled in next 20 years. The effect this increased demand would have on global economy would be tremendous and agricultural economists and experts have termed it as "Livestock Revolution".³

After crop production, livestock rearing and dairying are the leading source of rural income and employment in many Asian and African countries. Out of approximately one billion rural poor, two third depend on livestock.⁴ It contributes directly or indirectly to the sustainable livelihoods and security

of the rural poor. For lower income strata, it also serves as a store of wealth, drought power and organic fertilizer for the production of crops. In many developing countries the distribution of livestock ownership suggests that livestock farming is especially important for the poor and landless.

**Foreign Trade of Pakistan
Overview of its performance
from 1947/48 to 2005/2006**

Dr Lutuf Ali Phulpoto*

ABSTRACT

Foreign trade plays an important role in the economy of a country. Pakistan's trade pattern has changed, since 1947, from being a primary exporter. Pakistan now exports primarily manufactured, and semi-manufactured commodities. However, its exports are still critically dependent on cotton, which contributes as much as 65 percent to total exports. From about 11 percent of GDP in 1947, exports and imports together now amount 35 percent of GDP. Despite changing trade policies during the history of Pakistan, exports have not responded and the balance of trade has remained in deficit.

Agricultural Financing to bring Radical Changes in Pakistan –A Step Towards Poverty Alleviation

Mr Bisharat Hussain Shah*

ABSTRACT

Pakistan is an agro-based country and agriculture is bastion of the country. Encompassing other potentialities, the sector also contributes about 26% to GDP, 60% to export earnings, 68% livelihood to rural population, 55% to employment (M-69%,F-31 %) and even greater percentage to employment through its multiplier and fall out effects, like picking, processing, grading, packing, standardizing, transporting, marketing, trading, exporting etc and is a value added chain. Agriculture sector guarantees for food, milk, meat, wood, etc to million of population of Pakistan and is a main source of the raw material supplies to agro-based industries. Under the changed scenario of globalization, free trade and competition, the Government of Pakistan, as claimed, had diverted its attention to boost the agric-economy by developing its capacity and enabling it to compete at world level and to shield the domestic agro-based industry.

Since the objective is to observe and accentuate the credit policy of the Government and its implementation through banking industry. While assessing and analyzing figures, one could easily pronounce that agric sector although having every blessing and high potentialities, the Government of Pakistan, since last sixty years, could not make any headway to exploit these potentialities to an optimal level and the rationales behind that are many folded.

Micro Finance with its Strategies and Opportunities – The Darling of Development Community

Mr Amir Ali Shar & Dr. Noor Muhammad Jamali*

ABSTRACT

In developing countries, microfinance has been the darling of the development community and in developed countries, microfinance fits well with Third Ways ideas. Microfinance is the supply of loans, savings, and other basic financial services to the poor. People living in poverty, like everyone else, need a diverse range of financial instruments to run their businesses, build assets, stabilize consumption, and shield themselves against risks. Financial services needed by the poor include working capital loans, consumer credit, and savings, pensions, insurance, and money transfer services.

The poor rarely access services through the formal financial sector. They address their need for financial services through a variety of financial relationships, mostly informal. Two features-high repayment and cost-recovery interest rates permitted some MFIs to achieve long-term sustainability and reach large numbers of clients. In fact, the promise of microfinance as a strategy that combines massive outreach, far-reaching impact, and financial sustainability makes it unique among development interventions.

**ROLE OF DFIs FOR UPLIFT OF COTTON TEXTILE INDUSTRY IN
SINDH
PROVINCE OF PAKISTAN DURING LAST DECADE (1990-2000) IN THE
PERSPECTIVE OF MANAGERS OF TEXTILE INDUSTRY**

Prof. Dr. Anwar Ali Shah G. Syed*
Mr Muhammad Munir Ahmedani*

ABSTRACT

This study was designed to examine the Role of Development Financial Institutions (DFIs) for uplift of cotton textile industry in Sindh. One hundred fifty managers working in thirty textile industries participated in this study. The role of DFIs for the uplift of cotton textile industry was assessed through questionnaire. The results of the present study suggest that the majority of the managers tended to be satisfied with the loan granting policy of the DFIs and disbursement procedure. The results of this study further suggest that the greater number of the managers seemed to be in agreement with the statements such as utilization of funds, growth of cotton textile industry in Sindh and achievements of the objectives of textile industry in Sindh.

SMALL-SCALE INDUSTRIES OF RURAL SINDH

A case study of Marketing and Financial Problems of “Sindh-Jo-Ajrak”

Dr. Noor Muhammad Jamali *

Dr. Muneeruddin Soomro *

ABSTRACT

Sindh handicrafts industry is more wide spread, both region wise and item wise as far as production is concerned. Preparation of Ajrak has been carried on since the creation of Pakistan in various towns, cities and villages. The items prepared in Bhitshah, Matriari, and Tando Mohammad Khan is considered to be the best. This article discusses the result of 20 units of “Sindh-Jo Ajrak”, its marketing and financial aspects based on survey results, which also examines the change in economic conditions of the artisans in the Distt: Matiari. A sample was drawn from the different units of Bhitshah and Matiari. The study further identifies, the motivation, training, education and financial aspects of artisans on present incentives, output their problems of production, marketing of “Sindh-Jo-Ajrak”.

**PERFORMANCE APPRAISAL OF WEST AND EAST
PUNJAB PROVINCES-A CHALLENGE TO AGRIC SECTOR OF
PAKISTAN**

Bisharat Hussain Shah
Dr. Wasimuddin*

ABSTRACT

While agriculture has been sector in both Pakistan and India, the trajectory of development has not been the same in the two countries. This paper traces development in agriculture in Pakistan and India with a particular focus on Punjab. The provinces of the Punjab of two countries are very fertile and have significant contributions in the agriculture productivity of the both countries; they are situated adjacent to each other and there is only a demarcation line dividing the Punjab, between Pakistan and India.

IRRIGATION SYSTEM OF SINDH IS IN CATAclysm

Dr Muneer Ali Shah Rizvi*
Mr Bisharat Hussain Shah

ABSTRACT

Water covers about three quarters of the Earth's surface and constitutes about 70% of the total body weight of the living organism. Consequently, water has been termed as elixir of life. Human culture and civilization are virtually linked with water resources. Human indifference, ignorance and greed combine globally to waste it, foul it and divert it thereby denying it to others.

Pakistan is located in South Asia and is bordered with India, China, Afghanistan and Iran. It can be divided into five physiographic regions i.e. Himalayan Mountain ranges, Hindu Kush, Pothowar Plateau, the Indus Plain and the Baluchistan Plateau. According to 1998 census, its population is 130.58 million, of which 67% reside in rural areas.

The paper discusses problems associated with over-irrigation. Water accords and agreements regarding distribution of water between Sindh and Punjab Provinces. It finds a number of factors like water logging and salinity, inefficient drainage system, inordinate delay in completion of drainage projects and over-irrigation which causes, degradation with the result a large portion of the fertile land of the province has been rendered unusable.

The paper also discusses inter-provincial differences (between Sindh and Punjab) because of shortage of water. Effects of sea water intrusion have also been discussed. It finds how agriculture in the coastal belt is no longer possible. The paper concludes that old age of the earthen irrigation system coupled with water shortage, menace of seepage, salinity and water logging are the main causes of the disintegration of the system.

The study therefore, recommends for lining of canal system, adoption of innovative methods of irrigation, participatory water management, efficient drainage system. It has also been suggested to make IRSA more effective so as to monitor and distribute the water of Indus, judiciously.