

ABSTRACTS

Export Productivity Nexus

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We have tried to explore the relationship between exports and productivity. Using a four year lagged export model we find that productivity is Granger causing exports and using a two year lagged productivity model we find exports Granger causing productivity variations. There is, therefore, bidirectional causation between exports and productivity in Pakistan. Further research is required to identify the determinants of export productivity nexus.

Keywords: exports, productivity, causal relationship.

JEL Classification: F19

Ratio Analysis and Rating of Banks In Pakistan

Samina Riaz

The paper is divided into the following three sections.

Comparative analysis of profitability, riskiness and liquidity among different groups of banks.

Assessment of disclosure practices followed by different banks selected from a sample of different groups of banks.

Rating of six banks (out of 13 in the sample) from the sample on the basis of transparent and good disclosure of information.

Ratio analysis has been carried out on profitability, riskiness and liquidity performance measurement indicators to compare performance among different groups. Assessment of disclosure has been made by analyzing annual financial statements to find out ambiguities in accounts, and identify banks providing reliable and comprehensive information in the annual statements.

Keywords: *disclosure, ratio analysis, rating of bank performance.*

JEL Classification: G21

**Weak Form Efficiency Tests:
A Comparison of Pakistan and US Stock Markets**

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This paper compares the efficiency of the Karachi Stock Exchange (KSE) and the US stock market by estimating random walk with drift models through autoregressive techniques using Karachi Stock Exchange (KSE)-100[3] data from January 1, 1998 to December 31, 2006 and Dow Jones data from January 1, 1986 to December 31, 1997. We conclude that employing the random walk with drift model shows some predictability of returns for the Karachi Stock Exchange-100 Index but not for the Dow Jones index implying that Pakistan's stock market is relatively inefficient..

Keywords: *Random walk model, Autoregressive model, Karachi Stock Exchange, Dow Jones Index and Market efficiency.*

JEL Classification: E22

Poverty, Income Distribution and Social Development in Lahore

Kalim Hyder
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In this paper we present a comparative analysis of poverty and income inequality prevalent in the seven towns of Lahore. Further, an analysis of gender inequality and overall social development is presented by considering education, health, and labor market conditions. We have computed the Herfindahl Index, Gini Coefficient, ratio of share of income of the bottom 20% to the top 20% and Sen index in this study. Finally, a composite index of social development is estimated and on the basis of this, index ranking of each town is outlined. Nishter Town is the least socially developed town whereas Aziz Bhatti, Shalimar, and Allama Iqbal towns are less socially developed as compared to Ravi, Cantt and Gunj Buksh towns.

Keywords: *Poverty, Income distribution, Gini, Lorenz curve, Gender inequality, Social Development, Lahore, Pakistan*

JEL Classification: I0, I3

The Ontological Basis of Deontological Liberalism: The Limits of Right-Based Politics

Abdul Wahab Suri

The universality of the abstract human rights framework and its institutionalization as a criterion for socio-political justice can be defended on the basis of several viewpoints. Deontological liberalism presumably provides one of the most profound defences of the priority of right over good in contemporary political philosophical discourse.

In this paper we will try to explore the ontological roots of deontological liberalism. In the first section we will discuss the ontological roots of deontological liberalism expounded by Rawls. The second section will deal with the non contestability of the priority of right as a criterion of socio-political justice.

Keywords: *Deontological Liberalism, right, good, Rawls.*

JEL Classification: Z00

The Effects of Birth Order on Big Five Personality Traits

Nadia Ayub

The aim of this study was to explore the effect of birth order (first, middle, last, and only) on the Big Five Personality Traits i.e., agreeableness, conscientiousness, extraversion, neuroticism, and openness to experiences. The sample consisted of 150 participants with different birth order. Gender was equally distributed in the sample

and the age of the participants ranged from 19 years to 25 years. Their educational qualification was at least intermediate and socio-economic class was middle. Demographic form that includes age, gender, birth order, and socioeconomic class was administered to gather personal information of participants and to measure Big Five Personality traits NEO Personality Inventory Revised (NEO PI-R; Costa and Mc Crae, 1992) was administered. Analysis of variance (one way) was calculated in order to determine the effect of birth order on Big five Personality traits. The results indicate insignificant differences on the variable of conscientiousness, neuroticism, agreeableness, and openness to experiences of big five personality traits among all birth order ($p > .05$). On the variable of extraversion and birth order, the mean difference is significant at the 0.05 level. Overall results did not support the effect of birth order on big five personality traits.

Keywords: Birth order, Neuroticism, Extraversion, Openness, Agreeableness, Conscientiousness

JEL Classification: Z00

Learned Optimism and Stress: A Review

Abhay Anand Tiwari
Padmakali Mishra

In the last two decades empirical researches on the theme of stress has increased – focusing on causal factors of stress, stress manifestations, moderators of the stress-strain relationship, and types of stresses experienced by diverse work populations and various

coping strategies by organizational entities to cope with stress. Literature in this field provides evidence that a connection can be created between appraisal of strength, of stressors and the feeling of stress.

Keywords: *stress, permanence, pervasiveness, personalization, optimism.*

JEL Classification: Z00

The International Financial Regulation Regime and Pakistan's Response

Javed A. Ansari

This paper assesses the evolution of the international financial regulatory regime in the areas of banking, securities and insurance cross border and national transactions. This regime is designed to ensure global financial stability and is not focused on accelerating national development, poverty alleviation or domestic monetary stability.

The 2007-10 (?) capitalist crises illustrates that financialisation - increase in the volume of financial assets relative to that of physical assets and the consequent increased penetration of finance into all sectors of the economy - has increased systemic riskness and revitalized the debate on the need for state regulation of the financial sector. Since finance has been allowed to assume a global character and since military power is concentrated in the hands of a (declining) global hegemon - America - capitalist apologists – such as Paul Volker and William Keegan - argue that such regulation should be an inter-state affair articulated through an

over arching global financial architecture which subsumes and integrates national regulatory systems.

This paper presents the rationale underlying the current global financial regulation regime in section I. Section II assess the functions and capabilities of the major global financial regulator - the Basel Committee, IOSCO, IAS, FSF and the IMF. Section III seeks to identify the costs and benefits to Pakistan of subordinating its national financial regulatory system to global Codes and Standard with special reference to the implications of implementing the Basel II Accords.

Keywords: *global crisis, financialisation, cross border regulation Pakistan hegemony.*

JEL Classification: F33