

Resources can be rich only when properly utilized.

1 OUTLINE

1) Introduction

Thesis Statement: Pakistan is one of the richest countries in the world in terms of natural resources but also one of the poorest among them in their management. Effective and efficient measures can be taken to convert these resources into national asset.

2) Proper utilization of resources leads to rich resources

3) Rich Resources of Pakistan

a) Renewable resources

b) Non-renewable resources

c) Human resource

4) Why these resources are not being properly utilized

- a) Lack of resource management
- b) Lack of political instability
- c) Law and order situation
- d) Weak technological base
- e) Environmental challenges in Pakistan

5) The impacts of improper utilization of resources

- a) Degradation of natural resources
- b) Imports of the resources at high price
- c) Economic instability
- d) Increase in unemployment rate
- e) Leads to backwardness of the country

6) How resources can be utilized properly to make them rich

a) By shifting from non-renewable to renewable resources

b) Projects of national interest should transcend politics

c) By attracting foreign direct investment

d) Provision of technical education to people

7) Conclusion

The nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased, and not impaired in value. (Theodore Roosevelt on Bravery). Undoubtedly, Pakistan is bestowed with rich natural resources which do not include only renewable and non-renewable resources but also human resource. Regardless of their abundance, these resources are not being utilized due to their mismanagement and the continuous political instability which leads to the flawed policies. In addition, fragile law and order situation, weak technological base and environmental challenges cause improper and over exploitation of resources. As a result, Pakistan faces

degradation of natural resources which ultimately results to the imports of resources at high price. It also brings the economic instability and increase unemployment which takes the country towards backwardness. However, the resources can be utilized properly by relying more on renewable resources rather than non-renewable resources and by putting the projects of national interest before politics and by attracting foreign direct investment in the country. In addition, people should be provided the technical education as they are the main drivers of the resources. To sum up, Pakistan is one of the richest countries in the world in terms of natural resources but also one of

the poorest among them in their management. Effective and efficient measures can be taken to convert these resources into national asset. (241)

Likewise, a country can be either resources rich or resource scarce, depends upon the utilization of its resources. Proper exploitation of these resources leads towards economic growth without depletion of these resources for the coming generation. On the other hand, poor management of these resources will cause its scarcity and low economic growth. Russia has resources worth of \$75 trillion and its rank is 11 in world's economy. Its budget revenue from oil and gas increased 28% (\$36.7bn) in 2022. (Statista Research Department, 2023). On the other hand Democratic Republic

of Congo has world's 70% of Cobalt and 30% of diamond and has world's second largest rain-forest but at the same time is among the top five poorest countries with the annual income rate of \$499 only. (World Bank). In a nutshell, a country can be resource rich or resource scarce based upon its resource management. (138)

Similarly, Pakistan is also among the countries having abundance of natural resources which also include renewable resources, which are replenishable after their consumption. Pakistan's renewable resources include: wind and solar power, hydro power, agriculture resource and mineral ore resource. Pakistan has the potential to produce 49,000 MW electricity from wind and hydro power and produces

33% of its total electricity from water. Pakistan is among the ^{world's} top ten producers of wheat, cotton, sugarcane, mango, dates and oranges and holds 13th position in rice production. In addition, Pakistan has a variety of precious gemstones like Ruby, Topaz and Emerald. In short, Pakistan is rich in renewable resources which can be used to produce clean energy. (120)

Along with the renewable resources, Pakistan also has non-renewable resources. These resources cannot be produced again if once consumed and these include: Oil, gas, and coal. Pakistan has potential of 27 billion barrels of oil and 282 trillion cubic feet of gas resources. Coal is found in very large quantities in Thar, Chamalang, Quetta and other sites. These reserves are

estimated to be 850 trillion cubic feet. Pakistan can produce 100,000 MW electricity for coming 200 years from These coal projects. If These Coal projected. If These coal project is converted into oil then it will generate \$2.5 trillion dollars. To sum up, Pakistan is bestowed with non-renewable resources but their over-exploitation can cause their depletion. (110)

In addition to renewable and non-renewable resources, Pakistan is bestowed with human resource which include a population of intelligent young people and a burgeoning middle class. If this human capital is utilized well by providing every necessities and facilities then it will

take the country towards prosperity. Pakistan has a population of 241.49 million (Pakistan Bureau of Statistics) with having 71.76 million workforce (Finance Division). This workforce boost the country's economy by providing service either within the country or outside. Within the country, this workforce include: doctors, scientists, teachers and many other professionals. These skilled workers when work in overseas there become the source of remittance which causes increase in Pakistan's foreign reserves. In conclusion, Pakistan's human resource can be a source of economic growth if trained and utilized well. (123)

Despite having diverse

resources, Pakistan is inefficient in their proper exploitation due to lack of management. Mismanagement of resources does not only include only destruction and over exploitation of them but also not utilizing the specific resource when it is needed.

Despite having abundant renewable resources Pakistan relies on non-renewable resources to produce electricity. Which has caused not only depletion of those resources but also their imports in high price. Pakistan's total installed power generation capacity is 39772 MW of which 63% of energy comes from thermal (fossil fuels), 25% from hydro and 5.4% from renewable (wind, solar and biomass) and 6.5% from nuclear. (NEPRA's 2021 Report) and imports one third of it.

energy resources. (Asian Development Bank). Therefore, Pakistan is not poor in resources but in their management. (115)

In addition, the continuous political instability also affects the extraction and utilization of resources. Irregular political changes result into breakdown of policy implementation and feeble institutional structure. Due to the tug of war between the party in power and its opposition, the government struggles for its survival which ultimately affects the policy making. For instance, Pakistan holds the world's largest salt deposit and the second largest salt mine of Khewra. Salt is a simple commodity and does not need any processing, just mining and

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straight-off conveying to the market. However, Pakistan is ranked at 20th place in the list of salt producing countries with only 0.88% of the world's salt production. Hence, political unrest is one of the causes of the poor management of resources. (126)

Political unrest also causes poor law and order situation, which is a major restraint towards natural resources utilization in Pakistan. Specifically, the resource rich areas; Balochistan and tribal areas are politically unstable which causes restrictions in the exploitation of the resources. Balochistan is rich in natural resources and one of the largest gas supplier after Sindh. Similarly, Khyber Pakhtunkhwa province is blessed

with abundance of natural resources including hydel power generation, oil and gas. Unfortunately, both the provinces are under insurgency and have become a zone of conflict. Through 2020, Pakistan recorded 506 fatalities, of which Balochistan alone accounted for 215 fatalities. The province was a close second only to KPK, which recorded 216 fatalities. **(Terrorism assessment South Asia)**. Therefore, this situation makes it adverse to utilize these provinces resources. (125)

Due to law and order situation, there is a weak technological base for the extraction of resources. Such as, government is spending more on defence rather than Research

and Development which is a pre-requisite for the extraction of minerals. The mineral sector suffers from lack of investment in machinery, skills and processes resulting in poor efficiencies in substandard. Lack of technology cause slow mining of minerals. Mining and Quarrying sector of Pakistan showing negative growth rate by 8.82% during July-February 2020, Mineral extraction of Pakistan is just 0.005% in relation with resource potential. (Economic

Survey of Pakistan, 2019-2020)

To summarize, weak technological base is one of the causes behind improper utilization of resources. (109)

Natural resource management is linked with other environmental and socio-economic issues. The direct environmental challenges change

the behavior of glaciers, rainfall patterns, greenhouse gas emissions, recurrence of extreme events such as floods and droughts which ultimately result to the degradation of fertile lands, water shortage, waste generation, toxic pollution, and biodiversity loss in terrestrial and freshwater ecosystems. These adversities will affect the key condition for good health; clean air, water, food, shelter and the control of disease.

Direct impact of climate change on agricultural production and the food system as a whole is in turn expected to translate into increasing prevalence of malnutrition. Thus, the environmental challenges make it difficult for the citizens to utilize resources properly. (117)

As a result, certain factors causing improper utilization of resources, lead to the depletion of resources. Pakistan is consuming more resources than it extracts which ultimately causes the depletion of these resources. In the country, total recoverable resources of crude oil and natural gas are depleting at alarming levels due to their over exploitation. The nation has consumed about 81% of total oil reserves and above 69% of cumulative gas reserves. Pakistan had Proven oil resources of 1,245 million barrels, whereas 1,012m barrels were consumed as of June 30, 2022. Likewise, the total recoverable resources of natural gas were 63.24 trillion cubic feet (TCF), consumed 43.73 TCF and the

balance of 19.51 BCF gas reserves are available. (The Business and Finance Weekly, August 28th, 2023). Hence, Pakistan's resources are depleting due to over exploitation and natural decline. (126)

Depletion of resources ultimately causes imports of these resources at high price. In order to meet its energy demand Pakistan is compelled to import these resources at high price as the domestic production is not sufficient to meet the needs. For instance Pakistan meets only 30% of its energy requirement through the local production of oil and gas while the remaining 70% needs are met through expensive imports. Therefore, it is currently

Spending approximately \$21.43 billion annually on fuel imports which includes oil and gas, which is about 66% of its total foreign exchange reserves. (The Express Tribune, September 6, 2022). Therefore, Pakistan is forced to import expensive hydrocarbon in order to fulfil its energy needs. (110)

Also a result of high expenditure on imports, the country faces decline in its foreign reserves which is one of the major component of economic unrest. The high foreign exchange reserves is essential to maintain the economic instability but Pakistan is spending a huge amount of its foreign reserves on imports which brings instability in

economic sector of the country. Hence, economic instability is one of the impacts of poor utilization of resources caused by imports of expensive fuel. (105)

The economic instability eventually causes increase in the rate of unemployment. To simplify, the country with low economy will attract no foreign direct investment and will cease to start new development projects which limits the creation of new job opportunities. Meanwhile, unemployment is among the most challenging problems being faced by Pakistan. According to Finance Division out of 71.76 million labor force, 4.52 million people are unemployed which

is a great loss to human capital. Human resources are also an asset of the country but unfortunately, they are being deteriorated due to mismanagement. Therefore, rise in unemployment rate is the destruction of human resources. (104)

Destruction of the human resources leads the country towards backwardness. As such, unemployment brings many other adversities in the country, such as, hunger, crime, uncertainty and poverty which are enough to affect the development of a country, as in a developed country people are prosperous and get every requirements of quality life. However, in Pakistan, poverty rate, crime

rate, poor law and order situation have been increasing which has brought unrest in the country. When the country fails to tackle these crisis then eventually it goes towards backwardness. Hence, the poor utilization of human resources leads a country to remain backward in the race with the developed countries. (107)

The country can be saved from becoming backward by the proper utilization of its resources which can be possible by shifting from non-renewable to renewable resources. To simplify, it should be rely on hydro power, wind power, and solar power rather than thermal power as it has the capacity to generate energy from these sources. For this purpose it needs to learn from other countries. Such as Norway

has an almost entirely renewable based electricity system, with renewable resources accounting for 98% of generation in 2020, of which hydro is the dominant source at 92%. (**International Energy Agency**). Therefore, the transition from non-renewable to renewable resources is the proper utilization of these resources. (108)

The country can be utilize its resources in proper manner by keeping the projects of national interest before politics. All the states institution should work efficiently for the completion of the development projects by keeping politics aside. The former PM Shabbaz Sharif stressed to move ahead with strenuous efforts, collaboration,

and dedication by exploring the untapped resources including the vast natural minerals and reserves of Pakistan. The first initiation of this statement is the establishment of Special Investment Facilitation Council (SIFC) which introduced 28 projects and will facilitate investors, establish cooperation among all government departments, and fast-track project development. (SIFC meeting, June 20, 2023). In conclusion, Pakistan needs to prioritize its development projects and it can be achieved by taking such more positive steps. (121)

The next step which can be taken for the proper utilization of resources is to attract foreign direct investment

As Pakistan needs high amount of investment and sophisticated technology for extraction of minerals and for oil refineries, it can be possible only by foreign direct investment. Recently, Pakistan has attracted several FDI from Gulf countries. Riyadh has announced \$10 billion refinery project in collaboration with four Pakistani state-owned oil and gas companies, Saudi Arabia and the UAE has allocated \$24 billion and \$22 billion respectively to invest in Pakistan's information technology, agriculture and mining sectors. (The Express Tribune, September 5, 2023).

Such more kinds of investments are needed for the better future.

To summarize, foreign direct investment is one of the main drivers for the utilization of resources. (120)

For effective utilization of natural resources, Pakistan needs to spend on its human resource by providing them technical education. This education will make the intellectual asset of the country capable of understanding application of science and use of modern technology. Humans have the brain and working power to properly develop and maintain all the sectors. Therefore, Japan has heavily invested in its people's education and advanced skills training, enabling them to innovate with new technology and think critically. Despite lacking natural resources, Japan is a developed country by spending on its human resources only. Pakistan has natural resources as well as human resources.

if utilized properly can lead the country towards prosperity. Therefore it needs to invest in its human assets for the proper utilization of other resources (128)

In summation, Pakistan is not poor in natural resources but in its management. It is blessed with abundance of renewable, non-renewable and human capital. However, due to poor management it is not only lacking these resources but also has become dependents on other countries. These lack of resources are due to natural and man made activities. Neither the citizens nor the government are paying their duty for the conservation of the resources. It causes many effects on living standard and

the socio-economic condition of the country. Furthermore, it pulls the country from being prosperous. These all measures, if taken effectively can conserve the resources as well as save the country from becoming backward among them the human development is the prime factor.

"Nature has given you everything. You have got unlimited resources. The foundations of our state have been laid and it is now for you to build and build as quickly and as well as you can".
(Quaid-e-Azam, Broadcast talk from Radio Pakistan, Lahore, 30 October, 1947)

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