

Resources can be rich only when properly utilized

Outline

1. Introduction:

Thesis-Statement: Resources are considered rich when a country can reap their benefits through proper utilization. Inept handling of these resources have consequences. There necessitates the addressing of factors responsible for the under-utilization of resources.

2. Overview of the abundant resources in Pakistan

3. Proper utilization of resources makes them rich

a) Proper utilization of resources unleash their true potential.

b) Proper usage can maximize the sustainability of resources.


c) Resources can be transformed into assets of value through meticulous usage.

d) When resources are made rich through proper utilization, they meet the needs of society at minimum cost.

4. Proper utilization of resources faces hurdles

a) Flawed policies exist at national and provincial level.

b) Lack of expertise at decision making level in department is a hurdle.

c) Dependence on foreign companies diverts profits. 

d) Elite capture of resources limits the proper utilization of resources.

5- Under-utilization of resources has consequences

a) Under-utilization leads to economic stagnation by increasing debt burden.

b) Resources requiring timely utilization are being wasted.

c) Lethargic development of a country results from excessive reliance on exports.

d) Dependence on countries properly utilizing their resources is increased.

e) Improper-utilization of some resources makes them agent of harm.

6- The way forward: Formulation of a comprehensive strategy for proper utilization of resources

a) Effective policy followed by quick implementation is need of the hour.

b) Reducing dependence on foreign companies by incentivizing local businesses.

c) Public-private partnership at grass-root level for the sake of preventing wealth accumulation.

d) Digitalization of departments prevents undue procedural delays.

7- Conclusion

Essay

Netherlands has emerged as one of the largest exporters of the agricultural food products. Surprisingly, the size of Netherlands is less than that of Punjab, a province of Pakistan. Proper utilization of resources is the reason behind this development. It not only unleashes the true potential of resources, but also increases the sustainability. Furthermore, optimum usage can transform resources into the economic assets. These in turn can meet social needs of a country. However, in the third world countries like Pakistan, there are several hurdles in the way of properly utilizing the resources. Flawed policies and the lack of expertise come in the way. Moreover, dependence on foreign countries and elite capture limit the meticulous usage of resources. All of these lead to under-utilization which is associated with unfavourable outcomes. Economic stagnation wastage of precious resources are one of the major manifestations. These create dependence on other countries and slow down the development. At times, improper utilization transform makes resources as the agents of harm. These consequences engender the need of a comprehensive strategy, addressing all the ills plaguing resource utilization, at national and local level. Therefore, it can be stated that resources are rich only when a country can reap their benefits through proper utilization. For

inept handling has consequences which necessitates the addressing of factors responsible for under-utilization of resources.

Pakistan has been bestowed with the riches of nature. The country has abundant natural deposits of minerals. At the same time, it also has the required work force in the form of human resources. Such combination is a sure recipe for success. To put into perspective, Pakistan has "\$6 trillion worth of natural deposits", as per Pakistan Mineral Summit, 2023, and according to 2023 Digital Census, 249.4 million people are living in the country. This shows the abundant resources of Pakistan.

The abundance of resources does not have much value, unless they are properly utilized. To unleash the true potential of resources, their optimum handling is of utmost importance. Any resource is ~~not~~ a raw material with untapped potential. It requires a properly ~~guided~~ directed effort to use this potential to one's advantage. For example, The River Indus is a rich source of energy. To unleash the energy it contains, Pakistan built Tarbela Dam under the provisions of the Indus Water Treaty of 1960 - Hence, proper utilization is important for realizing the true potential of

resources in a country.

Along with tapping into the potential of resources, proper usage is needed to maximize their sustainability. Unlike the renewable resources, most of the mineral natural resources cannot be replenished. It is the responsibility of every generation to ensure the sustainable usage of such resources. Also, it is the right of the future generations to receive the fair share of resources. Proper utilization addresses this concern aptly. Organic farming is an important example in this regard. It "fulfills the need of the present generation without compromising the ability of the future generations to address their needs," says President Brundtland in his report, "The Brundtland Report," 1987. The main reason is that organic farming does not degrade the soil. Hence, proper utilization leads to sustainability.

Apart from leading to sustainability, meticulous utilization can transform resources into financial assets of value. Most of the minerals in their natural form are not valuable. It is only after thorough processing ~~one gets~~ they can be turned into usable products. Often, the value and importance of a mineral increases many fold. Uranium, a metal, is case in point here. In mineral form, Uranium is

an insignificant metal. However, after being enriched in centrifuge machine, it becomes fuel for Nuclear Power plants. To be specific, isotope 235 of Uranium is the end product. This shows how proper utilization can turn resources into the products of value.

In addition to being turned into the assets of value, resources can meet the need of a society at minimum cost when used properly. As compared to exported resources, natural deposits of mineral in a country are more economical. Due to this reason, they can be used to fulfil the needs of people at a reasonable cost. ~~All it need~~ This is true only when a country uses its resources well. According to the Ministry of Petroleum and Mineral, the coal deposits in that "can meet the energy needs of Pakistan for more than 100 years." All it needs is the meticulous usage of coal. Hence, proper utilization ~~has the capacity to~~ of resources meets the need of a society.

Although it is certain that the proper utilization of resources makes them rich, there are several hurdles in the way. First and foremost, flawed policies exist at the national and provincial level. For decades, there is no comprehensive policies for the utilization of resources. There also

exists discrepancies between the federal and provincial governments. At present, their contradictory policies are the main hurdle in this respect. For example, the 7th National Finance Commission Award in Pakistan has ~~also~~ given the responsibility of mineral extraction to the provincial and the federal government. This has created a dead lock as stated by Shamshad Ahmed in his Book, Pakistan and the World Affairs. Hence, flawed policies become hurdles in the way of utilization of resources.

Besides flawed policies, there is a lack of expertise at the decision making level. Departments which are responsible for resource utilization and extraction require well qualified leadership. In the developed countries technocratic leadership assumes such responsibilities. However, in Pakistan, senior civil and military bureaucracy is leading these departments for decades. According to Dr. Shoaib Suddle, ex. Inspector General of Sindh, appointment of bureaucrats at places which demand expertise creates road blocks for development (Dawn, July 2021). Therefore, lack of expertise at the decision making position undermine the proper utilization of resources.

Associated with the lack of expertise, is the excessive dependence on foreign countries for the exploration and extraction of resources. Pakistan lacks the technology as well as the skills to explore and extract resources. It has to seek the help of the developed nations for this purpose. Along with diverting profits, it is the source of excessive reliance on them. An important example is the case of Reko Digg. ~~In 2013~~, Pakistan outsourced Reko Digg, a copper mine ~~to~~ in 1993. However, in 2012 Tebtyan Copper Company sued Pakistan for \$5.6 billion in International Courts of Segments. Pakistan lost the case and was asked to pay the amount. This shows how dependence on foreign countries can divert profit from resources.

Excessive dependence on foreigners is coupled with the elite capture of resources. The ~~Pakistan's~~ Elite of Pakistan has captured almost all the resources. They did this by side-lining the majority in Pakistan. This has proved to be a hurdle for proper utilization of resources. ~~as~~ Instead of serving the whole nation, resources are being used by ~~the~~ the elite class to enrich itself. According to Pakistan Institute of Development Economics's report "Elite Capture in Pakistan", the elites of Pakistan has appropriated the resources of the country that is leading to however

exploitation of the poor. Hence, elite capture is also a hurdle for optimum use of resources.

All of these hurdles lead to the under-utilization of resources which has consequences. One of the major outcomes is the economic stagnation of a country. The utilization of resources is vital for the economic growth. Failure to do so results in increase in debt burden. Pakistan is a textbook case of this phenomenon. According to the Ministry of Planning, Pakistan has one of the largest gold and copper reserves in Balochistan. However, the country is in debt since 1980s. Therefore, under-utilization of resources slows the economic growth.

Along with the economic stagnation, under-utilization is responsible for the wasting of resources. Several natural resources require timely utilization. Any delay can prove to be unfavourable. This is especially true for the renewable resources. For example, Pakistan always face water shortage during winter season. According to Water and Power Development Authority's official website, the main reason behind water shortage is the paucity of the country's storage capacity. All of this water goes into the Arabian Sea. Hence, improper-utilization

can waste resources that require timely usage.

Wasting of resources is followed by the lethargic development of a country. A country not utilizing its resources has to rely on imports. These in turn slows down the development because of two reasons. Firstly, imports based industry is expensive to run. Secondly, fluctuations in the international market directly affects the importing states.

An important example in this regard is Pakistan's excessive reliance on oil and gas imports. In the wake of Russia-Ukraine war, the global and domestic oil prices surged. According to NEPRA, energy prices increased 125.7% since the inception of war. Hence, the development remains slow in import dependent economies because of under-utilization.

Lethargic development translates into increased dependence of devel. on other countries. Under-utilization of resources present at home makes a country look for toward other states. These are the one which utilize their resources well. This often leads to exploitation at the hands of such countries. OPEC countries are responsible for about 90% oil and gas supply around the world. As per DW documentry in October 2022, OPEC states deliberately reduced the production of fossil fuels during the ~~period~~ Covid-19 pandemic


, resulting in global wide-spread inflation. This shows that under usage of resources increase dependence on the countries that use their resources well.

Apart from creating dependence on other countries, improper utilization of some resources makes them agents of harm. Over-exploitation of resources ends up doing more harm than under-utilization. This happens when people change the natural habit by improperly using a resource. In the long run, the loss of ~~exp~~ over-exploitation is far greater than its profit. According to United Nations Environment Programme, about "80% of the land in Sindh is waterlogged and salinized due to excessive irrigation." Hence, ~~over~~ improper utilization of resources makes them agents of harm.

The consequences of the under-utilization of resources necessitates the development of a comprehensive strategy for the proper utilization of resources. Devising an effective policy should be the foremost step in this regard. A framework addressing all the aspects from the exploration to the utilization of resources is required. Of importance, implementation of the policies is equally important. First ever Pakistan Mineral Summit in October 2023 is a positive step.

Experts and stake holder from all over the country pledged to formulate ~~an~~ new policy for resource utilization. Therefore, for meticulous management, an effective policy is required.

Formulation of policies should be followed by reducing dependence on foreigners. Focus should be placed on the local companies and contractors. The government of Pakistan can achieve this by incentivizing local ~~companies~~ businesses. This will reduce the diversion of profits and boost national economy. The Economic Development Plan 2023 envisions an intra-institutional approach to facilitate local business in minerals, especially oil and gas, extractions. This shows a commendable effort by the state to reduce dependence on foreigners.

Reducing dependence on foreigners should be complemented with public-private partnership at grass-root level. It is vital for preventing wealth accumulation which is at the heart of elite capture. Inclusion of local communities help alleviate their predicaments. Under-developed areas like Balochistan, Rural Sindh and FATA can greatly benefit from it. According to the recommendation by the Strategic Assessment 

Plan Environment Assessment plan, public-private partnership at grass-root level is important for sustainable use of natural resources. This outlines the mechanism for ensuring distribution of wealth.

In the background of building public-private partnership at grass-root level, digitalization should be ensured to curb undue procedural delay. An important aspect of efficient management is the quick processing. In the third world countries like Pakistan, this can be achieved by digitalization of the relevant departments. The fruits of this approach can be assessed by observing the digitalization of Passport offices and NADRA. Punjab police department is also following their footsteps in the form of Police Khidmat Market. Such development in the Ministry of Petroleum and Mineral Natural Resources can come in handy. Hence, digitalization can prove beneficial for reducing undue procedural delay.

In conclusion, proper utilization of resources is necessary to reap their benefits. It is a way to fully harness the societal and economic benefit potential of resources. Moreover, optimum usage is the ~~only~~ ^{ready} way to sustainability. However, to achieve these, flawed policies, lack of expertise and dependence on

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Others need to be addressed. There are ~~various~~ consequences of these problems. Economic stagnation, lethargic development, and wastage of resources are the outcomes of improper utilization of resources. These are a clarion call for Pakistan to change the course of affairs. Most suitable ^{discourse}, in this respect, is to formulate a comprehensive strategy for the proper utilization of resources.