

Pathways to Pakistan's Prosperity

Outlines

I. Introduction

Thesis Statement

Pakistan has been facing innumerable challenges since its inception. Despite having the challenges, the country has potential to overcome them and to be back on track of prosperity and development.

II.

prosperity and the measures to gauge it.

i. different indicators

(a) GDP volume and growth rate

(b) Human development index

(c) Multidimensional poverty index

ii. Prevailing situation in Pakistan

III. Pathways to the prosperity of Pakistan

(a) Political stability and good governance

(b) Economic development is a key to prosperity

(c) Social development is a key to prosperity

- (d.) Quality of policies contributes to prosperity
- (e) A comprehensive judicial system leads to progress
- (f) Robust security is responsible for prosperity
- (g) Diplomatic relations with neighbouring and world powers can unlock the prosperity

IV.

challenges to prosperity of Pakistan

- (a) Political instability
- (b) Energy crisis
- (c) Industrial crisis, and agricultural issues
- (d) Imbalance of trade
- (e) Poor tax infrastructure
- (f) Budget deficit
- (g) Lack of quality education
- (h) Inconsistency in policies and micromanagement
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V.

Recommendations for tackling obstacles in the way of prosperity

- (a) Ensuring political stability
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- (c) Increase export
- (d) Ensure accountability
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- (g) Quality education
- (h) Robust policies to exploit the natural resources
- (i) Attract foreign direct investment
- (j) Strong security mechanism

vi.

Conclusion

Although Pakistan has been facing countless challenges for the last couple of decades, Pakistan has ability to deal with all the challenges by taking some steps. And the country can come to back on track. These steps include: Political stability and good governance, economic development, social development, quality of policies, comprehensive judicial system, robust security and diplomatic relation ~~ret.~~ with neighbouring

and world powers. However, there are multiple challenges and obstacles in the way of prosperity of Pakistan. These include political instability, economic slowdown, energy crisis, industrial and agricultural challenges, imbalance of trade, poor tax infrastructure, budget deficit, lack of quality education and research based education, inconsistency in economic policies and rampant corruption. These issues and challenges have ~~been~~ hampered the prosperity and development of Pakistan.

Prosperity is relatively subjective term having different meanings and interpretations for different people. Some associate this term strictly with economic well-being and affluence while others consider it a relatively broader term encompassing not only economic aspects but also social and political ~~dimensions~~ dimensions. At the national level a country can be termed prosperous if its social and economic indicators are

The most common criterion to assess the economic situation of a country is its gross domestic product (GDP). Where the size of the ~~economy~~ GDP indicates how big the economy of a country is, its annual growth rate depicts the overall performance of the economy during the concerned year. In the social sector, the Human Development Index (HDI) is the most popular indicator to measure the social progress of a country. The Human Development Index is based on three variables: life expectancy at the time of birth, knowledge and standard of living. Likewise, the Multidimensional Poverty Index reflects the extent of poverty in a state. Unfortunately, Pakistan's performance on all the indicators is utterly disappointing. Pakistan's GDP growth rate in FY 2022-2023 remained at 0.29 percent as compared with 7.2 percent of India and 6.03 percent in Bangladesh. Likewise, in Human Development Index report 2022-

Pakistan has been ranked 164 amongst 193 countries.

Though the present situation of Pakistan does not offer much optimism regarding prospects and growth, it is, at the same time, an irrefutable reality that there exist a multitude of pathways that may lead Pakistan to destination it has been aiming for since its creation. According to the economic survey report 2023-24, 4.5 million people are unemployed in Pakistan which is equal to nearly 7 percent of the labour force. The literacy of the country still alarmingly low at 60.8 percent. Literacy rate 73 percent in urban areas and 53 percent in rural areas and male literacy rate is higher than female. According to UNESCO, 26.9 million children at school going age 5-16 are out of school. 11 million out of school children are in Punjab higher than other provinces. Out of 26.9 million out of school

children make up 14.1% of Pakistan's population. It is also facing health crisis. An oncologist is available for 1300 people in Pakistan. As per World Bank report 40 percent of children stunted growth due to malnutrition and 7 percent of children do not reach their fifth birthday. Diseases are breaking out in Pakistan due to poor air quality and climate change. It is in the fundamental rights of the citizens to have basic facilities like education, health, clean drinking water, clean environment, food ~~etc~~ and others. This indicates the current situation of Pakistan is not good for the prosperity and development. To begin with, Pakistan has been facing political instability and bad governance. They hinder the development of the country. On the other hand, good governance and political stability can play their role in the prosperity of the country. It has a direct connection with ~~social~~ economic growth.

and social development. Foreign and local investment, formulation of far-sighted policies and across the board implementation, functioning of the administrative machinery in an effective and smooth way, optimal utilization of available resources, and prevalence of the rule of law; in short very ingredient of prosperity hinges upon the existence of political stability in the country. The history of the country makes it evident that whenever there was political stability, the country moved towards prosperity. Likewise, every period of political uncertainty has had detrimental impacts on the developments of the country; the era of 1990s and two year period after the removal of Imran Khan as the premier are the quintessence of the same thing. Political stability will therefore, have to be ensured if the country is to move towards prosperity and growth.

Similarly, economic development can lead the country to prosperity.

The economic development growth and development of the country is dependent upon energy, agriculture sector, industrial sector and IT industry.

Further, foreign remittances can also play role to the economic growth and development to some extent. The economic ~~at~~ engine

and wheel is dependent upon the energy sector. Agriculture sector

can produce more production of crops like wheat, rice, cotton, maize and sugarcane. Because most

of the agriculture sector is dependent upon electric water pump. Energy

shortage can lead low production of crops. In the same way, industrial

sector is also dependent upon electricity. The more the electricity

the more the production. It can improve Pakistan's export. IT sector

can also play its role in the development of the country. These

three sectors can increase the export of the country and bring

the prosperity in the country. According to estimates, 40 percent of the population

engaged in agriculture as a labour force it contributes 23 percent to the GDP of the country. Similarly industrial sector contributes 60 percent to the GDP. It is the largest sector of the country that can play its role in the development of the country. IT is an emerging sector. It has a potential to lead the country towards prosperity. Export of industrial, agricultural and IT sector can unlock the prosperity to Pakistan.

Likewise, social development has a role to play in the economic growth and prosperity. Human Development Index, poverty rate measure the social development of a country. Education, health and clean drinking water and other basic facilities can contribute to the development of the country. According to Human Development Index, Pakistan ranked 164 out of 193 countries. The literacy rate of the country is only 68 percent. The country has lack of health facilities. Shortage

of clean drinking water lead to diseases. In that carbon has degraded the quality of air. Lahore was ranked 2nd in terms of bad air quality. So Pakistan has been facing social degradation. Lack of social development hinders the prosperity of the country. On the other hand developed countries have robust social developments which is the key to prosperity. Developed countries have 100 percent literacy rate and standard health facilities. Further, clean drinking water and clean air quality. These factors involve in the social development and social development paves the way to the prosperity.

Moreover, quality of policies can play a leading in the prosperity of the country. Objectivity and quality in policies can lead to the prosperity of the country. Pakistan has been facing lack of quality and objectivity in policies. There are no culture of reforms. Various barriers in the way of reforms.

Inconsistent and lack of objectives in policies put the country in a state of development and prosperity.

For example, Ayub Khan's policy of capitalism in 1960 and Bhutto's policy of nationalization and then in 1990s privatization.

This is the stark example of the lack of and objectives policies.

This is the key basis in the way of development of the country. On the other hand, developed countries have quality policies that has played a significant role in the prosperity.

Furthermore, a comprehensive judicial system is a key to development and prosperity. A robust judicial system ensures accountability and transparency. Judiciary plays its role in the confidence building of the people. Poor judicial system can lead to the erosion of trust building in the judiciary. Poor judiciary paves the way to uncertainty and social disorder. Accountability and transparency

can ensure justice in the same
 prosperity is dependent upon
 the strong accountability and
 transparency. Independent institutions
 ensure accountability and transparency.
~~They~~ They also ensure the democratic
 norms in the society.

In the same way, robust
 security system can also pave
 the way for the prosperity.
 It ensures law and order situation
 in the country. It creates an
 environment for the growth of the
 business. Strong security system
 paves the way for the foreign
 direct investment in the country.
 Developed countries like USA, UK,
 Canada, France, Germany and
 Japan have a robust security
 system which paved the way
 for the development and prosperity.
 On the hand, Pakistan has been
 facing security issues since 1970.
 Following the ~~Russia~~^{USSR} invasion
 of ~~the~~ Afghanistan, Pakistan has
 paid the price becoming the part
 of the Soviet-Afghan war. After

the 9/11 incident the country badly hit by the war on terror, Pakistan suffered economic and social challenges.

Last but not least, strong diplomatic relations with neighbouring countries and world powers can lead to the progress of the country. Various issues like poverty, food insecurity, climate change and terrorism demands collective efforts to resolve. Without interaction (cooperation) these challenges cannot be removed.

Further, to seek loan and help, international cooperation can play role in this regard. As US helped the country to deal with the terrorism on the western border of the country, USA had also played a key role to get the country out of grey list. Further, it has played a leading role to release the IMF bailout package for the country. On the other hand, China being the neighbouring country has been investing in various sectors like energy, infrastructure and special economic zones and agriculture.

There are multiple challenges in the way of prosperity and development of the country. Political instability is one of the significant challenges to the prosperity of the country. Political instability leads the country to unrest and uncertainty which is a big challenge to the economic growth and social disorder. It leads to the country to corruption. In unrest situation, the corrupt people get a chance of corruption. According to corruption index, the country ranked 140 out of 180 countries. As per former chairman of Federal Board of Revenue, Pakistan faces 7 billion rupees of corruption in a day. Political instability cannot let the policies to execute. It leads the country to bad governance. Bad governance gives rise to all social issues like terrorism, sectarianism and extremism. So, political instability is a big challenge in the way of prosperity.

Similarly, energy crisis

is a big barrier in the way of economic growth and prosperity. The country has been energy crisis from last two decades. Now the situation more bleak. The country is facing 6000 Mega watt of electricity. Shortage of electricity led the country to loadshedding. Further, according economic survey report, ~~2000-03~~ 2000-03, the total installed capacity of electricity of the country reached at more than 41000 MW while the distribution capacity is stood at 26000 MW. This gap because of power theft, aging power station, debt, and lack of renewable methods and corruption.

All the economic sectors of the country are dependent upon the energy. Both industrial sector and agricultural sector have been facing ~~over~~ challenges due to energy shortages. Industrial production is slow down due to energy shortage. High cost energy production also affects the industrial production according to dawn newspaper 60

percent of industry closed down due to inflation and high cost of energy. production. Industrial sector is the major exporter of contributes 60 percent to the national GDP, but due to shortage of energy it has been facing various challenges. In the same way, agriculture sector ^{has} also ^{been} facing challenges for the last couple of decades. The agriculture productivity has reduced owing to energy crisis. Being an agricultural country, the country is not sufficient to meet the need of the people. Recently, the country imported 3.5 million tons of wheat. This indicates that Pakistan is unable to meet the demands of the people. So, energy crisis affects the production of industry and agriculture. It reduces the export of the country.

Likewise, imbalance of trade is another big challenge to prosperity of the country. According to economic survey report 2020-23, the total export of the country was 93 billion

dollars while total import was 46 billion dollar. Decline in export of the country came due to energy crisis, industrial and agriculture challenges. The country imports oil, natural gas, automobile industry raw material and cotton, seeds and mobiles. Therefore, imbalance of trade is a big hurdle in the way of prosperity of the country.

Poor tax infrastructure is also a big obstacle in the way of prosperity of the country. According to dawn newspaper, the current tax to GDP ratio is 9 percent. The country has failed to increase tax to GDP ratio to 15 percent. Informal economy and tax evasion are big challenges to increase tax to GDP ratio. Corruption is another bigger challenge to meet the target of tax to GDP ratio. Tax evasion is common in the country. Smuggling also affects the GDP ratio of the country. The main reason of the poor tax collection is complexity of

FBR officials

Moreover, budget deficit is another big barrier in the way of economic growth and development of the country. As per economic survey report 2003-04, the total tax collection of FBR was 9.2 trillion while the total expenditure of the country was 14 trillion. According to economic survey report 2004-05, the total budget target of the FBR is 12970 billion, 12.9 trillion while the expenditures estimated 18500 billion, 18.5 trillion. This huge gap of budget is a big barrier in the way of prosperity.

Furthermore, poor quality education is another significant cause of poor growth and development. No quality and research based education in Pakistan. Almost 50% public and private universities are working in Pakistan, but no research based center at any university. Further, lack of funds gives

rise to poor quality education. According to some experts, the development of any country is dependent upon the quality and research-based education. But the country lacks both.

Last but not least, inconsistency in policies is another challenge to the economic development and prosperity of the country. Poor management also contributes to poor growth of the development and prosperity. Political instability, poor management and inconsistency in policies can not let the country to explore the natural resources. Although the country is blessed with natural resources including renewable energy resources and non renewable energy resources. Further, the country has a young population, but due to poor management it cannot leverage the natural resources. So, mismanagement is a big challenge to the prosperity of the country.

To begin with, the country can make a significant development

by taking some steps, Political stability is one of them Political stability can play a significant role to back the country on track. It let the country to export its natural resources, Political stability will bring financial stability. It will also ensure good governance.

Similarly, Addressing the issue of energy crisis will contribute to the economic growth. It will revive of the industries in the country. Energy crisis is a pressing issue of the country. The country should invest in energy sector to address. Further, the country should pay attention towards EPEC, it will help to address the energy crisis. As 6000 MW of electricity added to national grid. In addition, the country should adopt renewable energy methods like, solar, wind, hydro, tidal and nuclear energy sources.

Likewise, addressing the energy issue will revive the industrial sector. Revival of industry

will improve production and create job employment. It will also enhance the export of the country. It already contributes 60 percent to the GDP of the country.

Moreover, revival of energy will also improve the production of agriculture sector. It already contributes 93 percent to the national GDP. 40 percent of the population engaged in ~~the~~ agriculture sector as a labour force. Addressing energy crisis will enhance the production of agriculture sector. It will reduce the food insecurity in the country. It will also create job employment opportunities. The country should invest in this sector to ~~improve~~ improve the productivity. China can help the country in this sector. It will increase export of the country.

Furthermore, Accountability and transparency will pave the way to prosperity of the country. It will reduce the ~~corruption~~ corruption in the country and bring development in the country. It will not only reduce

the inequality but also improve justice in the country. Justice is a key to development and prosperity. Accountability is not possible without the comprehensive judicial system. So the country ensure independent judiciary. It will ~~make~~ ensure prosperity.

In the same way, robust tax structure will improve the economy of the country. It will improve the tax collection. Reforms in tax structure will not only improve the tax collection but also reduce the informal economy. The country should take steps to do untaxed people under tax net. It will ensure the prosperity of the country. It will also ensure tax to GDP ratio at 15 percent.

Climate change is another big challenge to the development of the country. In 2022 devastating floods, the country had suffered 16 billion dollar of losses. 45 percent of the wheat washed away in only Sindh province. According to local estimates, the country suffered 30 billion

dollar in that floods. To avoid climate losses, the country should adopt climate adaptation policies.

Quality education education can also play a significant role in the prosperity of the country.

The country should establish practical and research based centers. It will improve development of the country.

Quality of policies can help the country to exploit the natural resources. As Pakistan is blessed with abundance of natural resources, but due to mismanagement and lack of quality policies it cannot leverage its natural resources. For example, it has a young population, but due to mismanagement it is becoming the burden on the country.

Foreign direct investment will not only contribute to the economic growth but also enhance the job employment in the country. It will also reduce the burden of loan. The country can attract foreign direct investment by creating a conducive environment. The country

Should announce ease of doing business. It should also address the energy crisis. Recently president of Iran had visited the country and pledged to do trade of 10 billion dollars. Saudi authorities had also visited the country to invest.

The country can leverage this opportunity and improve its economy.

Last but not least, Pakistan has been facing security challenges since 9/11 incident. But in the recent recent month, the militancy has increased ~~to~~ at the western border of the country. According to some estimates 2023 recorded highest militant attacks in the country.

There is need to uproot the militancy in the country. Prosperity cannot possible without peace ~~at~~ at western of the country and in Afghanistan.

According to some experts, peace in Afghanistan is equal to peace in the region. Ensure peace and security will attract foreign direct investment in the country. Local investors are reluctant to invest.

in the country due to poor security situation. So, there is need to launch intelligence based operations to deal with the militancy.

In a nutshell, despite countless challenges to the prosperity of the country there are a number of pathways that can get the country out crisis. These pathways start at political, economic, social and administrative junctures yet definitely end at single destination, prosperity. While trading along these pathways, a number of barriers and obstacles will emerge and they will have to be tackled prudently and courageously. Some sagacious and scrupulously devised policies, like intervention of technology, the introduction of austerity measures, and creation and utilization of platforms for consensus-based decisions can definitely be helpful in the continuity of the journey in the face of all types of predicaments. As for the prosperity of Pakistan is concerned there should be no doubt that the goal can never be achieved

unless every single Pakistani plays
a role ~~with~~ definitely vary in its
acquisition. The quantum and nature
of this role will definitely vary
from person to person, but its presence
and persistence will always be required.
The earlier every Pakistani realizes
it, the better it is.