

# Economic Crisis and Governance

## Challenges in Pakistan: Solution for Sustainable development

### Outline

1. Introduction
2. Why Pakistan is facing Economic Crisis and Governance challenges?
3. Major Economical Problem:
  - i- Majority of the people in Pakistan cannot <sup>fulfill</sup> afford basic requirements of their life.
  - E.g: Nearly forty per cent of Pakistan's population now living below poverty line. (World Bank)
  - ii - Budget and trade deficits

**For Example:** According to state bank of Pakistan, Pakistan's trade deficit reached about 45.4 billion US dollar, with exports around 31 billion US dollar and imports close to 76 billion US dollar.

iii- IMF bailout packages have consequences in context of independent decision making for economic growth.

**Case study:** The running program of IMF ~~have~~ has put some conditions, which Pakistan has to excede at any cost, such as increasing taxes and cutting unnecessary expenditures, without considering the compulsion of poor Pakistani people and will of government.

#### 4- Governance Challenges in Pakistan:

i- Political Instability

**Case study:** The 2014 protests led by two political parties, these protests aimed to challenge the then government of Pakistan, accusing it of corruption and election rigging.

ii- Unequal distribution of resources

**For Example:** According to the Credit Suisse Global Wealth Report 2022, about 64% of the country's wealth is owned by the top 10% of the population, while the bottom 50 per cent holds only about 5 per cent of the wealth.

iii- Poor Law and order situation

**For Example:** The annual police report 2023 highlighted

that out of 2.3 million registered crimes, only about 3 percent led to convictions, emphasizing issues with law enforcement and judicial processes.

## 5- Wayforward for economic crisis and governance challenges in Pakistan:

- i- Tax System should be progressive instead of regressive.
- ii- Increase exports and decrease imports
- iii- The trend of egoistic politics should be abolished
- iv- Rule of law

## 6- What is sustainable development?

## 7- Solutions for sustainable development:

### 7.1- Sustainable development through social improvement:

a- Endorsing quality education and awareness

**Case study:** Bangladesh: Adult literacy Programs

b- Secterian issues should be resolve in a peaceful manner.

**For Example:** Pakistan: Interfaith Harmony Initiatives  
Pakistan Ulema Council, work together promoting interfaith dialogue and understanding among different faith.

C- Expansion of building should be horizontal instead of vertical.

**Benefit:** Remaining place could be use for car parking and for growing plants.

## 7.2- Political Stability and Sustainable development:

a- Political stability is a significant tool that ensures the needs of future generation will not be compromised.

**Case study:** 1- Rwanda: Post-Genocide Reconstruction  
2- United Arab Emirates: Stability and Economic Diversification

b- Strong institutions and policies to abolish corruption, and equitable distribution of resources must be safeguarded

**For Example:** South Korea: Institution Reforms

C- The concept of separation of power should be ~~exercised~~ exercised to ~~run~~ run the affairs of state.

**For Example:** i- legislature ii- Executive  
iii- Judiciary

**7-3: How economic growth helps in achieving sustainable development?**

a- Sustainable Industrialization

**For Example:** Germany: Industry 4.0 and Sustainability

b- Facilitate farmers with sustainable agricultural technology to gain maximum benefit from agricultural sector - A backbone of Pakistan's economy.

c- Promote FDI and tourism

**Report:** In Pakistan, tourism could potentially contribute over 20 billion US dollar annually if effectively provided and managed. ~ The United Nations World Tourism Organization (UNWTO).

**7-4: Environment and Sustainable development:**

a- Reducing the emission of "Green House Gases"

**Impact:** Climate change: Global warming

b- Effective water management

**For Example:** By constructing dams and ~~and~~ making people aware not to waste water, unnecessary.

c- Sustainable Development Goals must be considered seriously for sustainable development.

**8- Conclusion:**