

Essay: What are the challenges Pakistan faces today?

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Pakistan is not on the way it should have been. Prosperity, stability, development, regional leadership: all the dreams that founders had about the country are still merely the dreams, and more painful is that, their materialisation is still far away. India and Bangladesh - the two countries that embarked on their journeys from almost the same starting points - are miles ahead of Pakistan in terms of growth and prosperity. This is not that Pakistan can never break the shackles and start moving towards a bright future, but, realistically speaking, the goal is too ambitious to achieve sans relentless efforts and ingenious intentions. Quite understandably, treading a path towards prosperity, there are a myriad of challenges that lie ahead of Pakistan. These include the internal and external challenges. The internal challenges exist in the form of political uncertainty, economic upheaval, rise in terrorism, menace of corruption, social challenges, sectarian uproar. While external challenges manifest as distorted relation with India over disputed territory and border issue with Afghanistan, fluctuating relations

with United States, economic dependency on China and frequent natural disasters. Some meticulously devised strategies, however, can definitely be helpful in overcoming the challenges and helping the journey continue in the right direction.

Pakistan's growth trajectory is influenced by long-standing legacies such as colonialism, partition and subsequent state-building issues. The legacy of British colonial authority has left a strong imprint on Pakistan's institutional architecture, which is marked by extractive governance institutions and institutionalized inequalities. The partition of British India in 1947 resulted in widespread relocation, communal violence and the tearing apart of the social fabric, leaving scars that may still be felt in the form of Pakistan's socio-economic divisions.

To start with, political instability is the first and foremost challenge<sup>that</sup> lies for Pakistan as political stability has a direct connection with economic growth and social development. Foreign and local investment, foreign formulation of farsighted policies and their across-the-

board implementation, functioning of the administrative machinery in an effective and smooth way, optimal utilization of available resources, and prevalence of rule of law; in short, every ingredient of stability hinges upon the existence of political stability in the country. Firstly, political unrest has a myriad of detrimental impacts on the governance sector of the country. Because, this menace is responsible for the existence of a divide within the tiers of bureaucracy. In a politically polarized state, bureaucrats usually lose their <sup>neutral</sup> position and, instead of faithfully safeguarding the interests of the country, they try to serve the political parties they are associated with due to their political ideologies. For them, the incumbent government intervenes in the process of postings and transfer the officers and the principle that is brutally slaughtered during the whole process is "the appointment of the right man for the right job". Quite understandably, departments run by unsuitable officers can never attain excellence in service delivery. Likewise, it appears in the form of ~~dec~~ loss of objectivity in the decision making. This is, because, ruling party appoints only its loyal bureaucrats to

rapidly. Although these policies kept import costs down, they led to significant losses in remittances and delayed utility reforms for economic stability. As of August 2024, Pakistan's inflation rate has eased to 9.6% down from 11.1% in the previous month. Likewise, the informal economy, also known as shadow economy or undocumented economy is a significant issue that affects many countries worldwide. A recent joint study, conducted by the Small and Medium Enterprises Development Authority and the International Labour Organization, on the issue of Pakistan's informal economy has made shocking revelations. The report titled "Mapping of Barriers and Opportunities to Reduce the Informality of Enterprises in Pakistan" has revealed that Pakistan's informal economy is valued at around \$457 billion, equivalent to 40% of the country's gross domestic product, with 72.5 percent of labour force outside agriculture employed by the informal sector. The report emphasizes that these activities not only lead to loss of government revenue but also foster a shadow economy, making it challenging to monitor and regulate economic transactions.

Further lies the unemployment. According

to Pakistan Economic Survey 2023-2024, as many as 4.5 million individuals are unemployed in the country, with the youth aged 15-24 having the highest unemployment rate of 11.1 percent.

Another challenge that is impeding the country's progress, is the extremism and terrorism that is country facing with. Pakistan has witnessed an uptick in terror activities with 1524 casualties from 789 terror attacks in 2023-making a record six year high. In 2024, as of early September, there have been 502 incidents. These include various forms of attacks, such as bombings, shootings and other violent acts carried out by different extremist groups such as TTP, BIA, LeT, JeM, ISIS-K. Majority of the attacks in Pakistan are being directly linked with TTP. Following the terrorist attacks, the country has been beset by accusing minorities of blasphemy. While Pakistan has seen many perish in the cauldron of sacrilege, the state has done little to turn down the flames of hatred. From 1987 to 2022, at least 2,120 persons are reported to have been accused of committing blasphemy and the scenario is increasing day by day with 179 individuals behind the bars in 2024 on blasphemy charges. Government must



take stock of the situation and should launch probe into killing of alleged persons. One of the appalling incidents in 2024 was from Sargodha's Mijahid Colony where a christian man was accused of desecrating religious scriptures and subjected to violence by a pack of families who bent on lynching him. Similarly, security threat to CPEC is a big concern for Pakistan.

As the CPEC is a series of enhancements to Pakistan's infrastructure to increase connectivity between the two countries. There has been a growing backlash against these BRI projects targeting Chinese projects and nationals in Balochistan and Karachi working on the projects.

In the same vein, ineffective administration poses a significant threat to the country's stability, and hence, a major challenge for country. The tax-to-GDP ratio in world's developed countries ranges from 15-30%; however, the same for Pakistan is less than 10%. The biggest reason for poor tax collection is FBR's inability to collect direct taxes. A country where barely 5 million people out of 245 million population submit tax returns can certainly change its

fortune by merely focusing on this single aspect. But, corruption, undue waivers and concessions have plagued the overall performance.

Corruption can lead to significant financial losses for governments, diverting funds away from public services and development projects. As of the latest data available, Pakistan's score on the Corruption

Perception Index (CPI) for 2023 is 29 out of 100, which indicates a high level of perceived public sector corruption. Governance flourishes in a

corruption free environment. When corruption is absent, public institutions can conduct affairs and manage resources effectively, ensuring that

human rights are realized and public services are delivered effectively and fairly. The next challenge is to overcome the lawlessness.

In the absence of rule of law, neither a well suited person and talented one can get opportunity to serve Pakistan nor is an investor able to invest in a secure way.

In Pakistan, if judges are unable to dispense justice, if public offices are rife with corruption, if policies feather a few nests

instead of serving the general public at large, if bridges fail to complete their projected life, if highways and

roads are under illegal encroachment, if public hospitals promote private hospitals, if jails serve as a nursery of learning new crimes, if media openly sells itself to favour or disfavour some particular groups or parties; this is nothing, but the absence of rule of law that should be blamed for the harrowing situation of Pakistan. is confronted with. In Pakistan, the law has become a net, in which only small fish get caught.

Next comes the social issues, that pose significant challenge to the development of Pakistan. Pakistan's education system is on the verge of chaos. as the country's literacy rate according to the latest survey is far behind even after the 77 years of independence. The literacy rate stands at 62.8%, out of which 77.3% in urban areas while rural areas fall at 54.0%, according to the Pakistan Economic Survey 2023-2024. Article 25-A of the 1973 constitution of Pakistan guarantees free and compulsory education to children between the age of five to sixteen years. Despite this, Pakistan's out of school children rate is 26.2 million. 11.73 mn,

7.63 mn, 3.63 mn, 3.13 mn, 0.08 mn for Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Islamabad capital territory respectively. Secondly, the population expansion has become a pain in the neck. From the first world population day on July 11, 1987 with 5 billion population to staggering 8 billion inhabitants, a significant shift has occurred, out of which Pakistan possesses 241.5 million, declaring as the 5<sup>th</sup> most populous country. For a larger population size, there must be the greater no. of facilities. But, unfortunately this is not working the way, as the country is lacking in its targeting and providing the public with adequate care in terms of hospitals provision. Pakistan has one of the highest rates of malnutrition in the world. As a result, Pakistan is ranked 122nd out of 190 countries in the World Health Organization performance report. After health care facilities, poverty is also the area of concern for Pakistan. According to the report 2023-24, Pakistan falls in the category of "Low Human Development Index" with a value of 0.54 and 164<sup>th</sup> position among 193 countries. Vision 2030 of Pakistan, aligned with United Nations Sustainable Development Goals (SDGs) aims to eradicate poverty from country by giving job

opportunities, and preventing poor from falling more deeper into poverty.

Besides this, sectarian and ethnic conflicts have been emerging time by time. Sectarian conflicts lie between different sects including Shia and Sunni community. Recently, a violent sectarian clash occurred in Kalabagh Town, Mianwali, Punjab. The conflict which erupted between Shia & Sunni sects, resulted in the deaths of 2 Shia men and injuries to over 30 others. The violence was triggered by dispute over the route of a Shia procession. Moreover, country is home to a diverse population with various ethnic groups, including Punjabis, Sindhis, Baloch, Pashtons, and others.

Different groups may feel marginalized or under-represented, leading to demand for new provinces. When the name of NWFP changed to KPK, the Hazara division demanded a new province, based on their ethnic identity. Similarly, Urdu-speaking Mohajirs demand a new province in the urban areas of Sindh. Further, they also want the creation of new provinces for the equal distribution of resources. Instead of considering Punjab as the major stakeholder of economic distribution.

How can one forget the venomous energy

crises. Currently, Pakistan not only faces acute shortage of energy, but, the energy that it produces is also too expensive to be afforded by domestic consumers. For instance, the per-unit electricity price in Pakistan is 60 approximately, which is 500% more than what a consumer pays in India or Bangladesh. Many industries have moved to Bangladesh, just because, there is no energy crises and consumer is not bound to pay the more price. Expensive electricity with frequent power cuts, wreak havoc not only on the performance of the country but also on the economic life of the country. Many economists opine that if Pakistan utilizes all available resources for its distribution, and transmission and production process for three consecutive years, the country can overcome the problem and a new phase of development may start. Similarly, the demand of natural gas has been increased. The annual production of 4 bcf is too little to meet the national demand, that has now surpassed 6 bcf. If this vicious energy cycle continues, Pakistan can never break the shackles

of crises. Then, Pakistan is confronted with the rigidity of politicians who are manifesting the reckless behaviour towards building a dam. Different ethnic groups may have competing claims over land and water resources. In Pakistan, for instance, the proposed Kalabagh Dam has faced opposition from Sindh and Khyber Pakhtunkhwa provinces, which fear that the dam will reduce their water supply and benefit Punjab province disproportionately. Also, building the large dams often require relocating communities. This can lead to further tensions, especially if the displaced communities belong to ethnic minorities.

Adding on, the relationships between India and Pakistan has been challenging for many years. The recent ongoing conflict, following the revocation of Article 370 by India on August 5, 2019, which granted special autonomy to Jammu and Kashmir, has led to significant tensions in the region. India deployed additional troops to the region and imposed a curfew, along with a telecommunications blackout. Second, India has repeatedly accused Pakistan of supporting and harboring militant groups that carry out attacks on Indian soil. High-profile incidents, such as 2008 Mumbai attacks and the 2019 Pulwama

attack, have intensified these accusations. These allegations have led to increased international pressure on Pakistan to take action against terrorist groups operating within its borders. The cross-border terrorism has significantly strained diplomatic relations between India & Pakistan. It often leads to a breakdown in dialogue and hampers efforts to improve bilateral ties. Thirdly, India's construction of hydroelectric projects on the western rivers has been a point of contention. Pakistan argues that these projects violate the IWT by potentially reducing water flow into Pakistan. This increases the stakes for both countries, making water management even more critical.

Despite India, Afghanistan present significant challenges for Pakistan. The Durand line, 2640km border established in 1893, is not recognized by Afghanistan as an international boundary. This has been a longstanding source of tension, and a prominent hindrance for Pakistan. Further, both countries accuse each other of harboring militants who carry out attacks across the border. These issues require careful diplomatic handling and cooperation to ensure regional stability.



Likewise, the relationship between Pakistan and the USA in 2024 faces several challenges due to a combination of geopolitical, economic, and security factors. The latest National Security Strategy of the United States outlines the return of great power competition and the need for Washington to outmaneuver China and constrain Russia. To accomplish this, the strategy emphasizes the importance of building and maintaining strong alliances in the Indo-Pacific. Pakistan's close ties with China have created friction. On economic fronts, as Pakistan is facing a balance-of-payment crisis and political instability. These issues have made it difficult for the U.S. to engage effectively with Pakistan. Despite this, the ouster of former Prime Minister Imran Khan and ongoing domestic security issues, has further complicated bilateral relations.

Pakistan remains in financial turmoil, with bailouts from the International Monetary Fund only narrowing <sup>by</sup> keeping the country afloat. Meanwhile China, Pakistan's largest foreign investor, has begun wavering on further investment, due to a deteriorating security situation that has tested the limits of a

Supposed "all-weather friendship". At the end of April 2024, Chinese independent power producers operating throughout Pakistan were owed \$1.8bn in unpaid bills. A joint statement released at the end of the Pakistani premier's trip confirmed that an additional 23 agreements and memoranda of understanding had been signed facilitating further cooperation in a range of areas, including energy and infrastructure.

Besides, Pakistan is currently surrounded by natural disasters due to its geographic location and climate conditions. The country frequently experiences devastating floods, particularly during the monsoon season, which displaces millions and destroy infrastructure. A recent example of migration amid monsoon disasters in Pakistan occurred during the monsoon season of 2023. In August and September, heavy rainfall led to significant flooding in various regions, particularly affecting areas like Sindh and Balochistan. Thousands of people displaced as their homes were submerged, prompting them to seek shelter in relief camps or move to safer areas. Along with displacement of people, natural disasters significantly impact Pakistan's economy.

in several ways. Firstly they cause extensive damage to infrastructure, including roads, bridges, and buildings, which requires substantial financial resources for repair and reconstruction. Secondly, the agriculture sector which is the major part of Pakistan's economy, suffers greatly from floods and droughts, leading to crop losses and food insecurity. The recent flood of 2023 has wreaked havoc in Pakistan on crops. A total of 78,000 sq. km of cropland were flooded throughout 81 districts. One of the worst-hit provinces is Sindh, which produces a sizeable portion of the nation's food. They assert that floods have negatively impacted more than 15 million people, including farmers and agricultural workers who earn a living regularly. Pakistan is now ranked 92 out of 116 nations in the Global Hunger Index.

Despite the horribly torrid situation all around, there are still a number of pathways that can lead Pakistan to the destination of prosperity, growth and success. Some sagaciously and scrupulously devised strategies or policies are definitely be helpful in the continuity of the journey in the face of all types of predicaments.

First of all, political stability, is the first and foremost important for the prosperity of the country. For this, democratic institutions must be strengthened. It includes fair electoral process and an independent judiciary, which promotes transparency and accountability in government. Moreover, empower local governments to address regional needs and reduce central government dependency. To attract foreign investors, political stability is necessary to bolster the country's economy and cutting the ties off with World Bank and IMF. Following political reforms, addressing social inequalities helps build a more cohesive society. When people feel they are treated fairly and have equal opportunities, it reduces social tensions & fosters a sense of unity and belonging. A commitment to social justice and equality can improve Pakistan's international reputation. Then comes the bilateral dialogues and diplomatic engagements to discuss border concerns and building trust and establish mechanisms for cooperation. Encouraging regional cooperation initiatives, such as the Heart of Asia process, can help address shared security challenges.

and foster dialogue among stakeholders. Seeking support from international organizations like the United Nations and NATO can provide technical assistance, training, and resources for border management. Further, Pakistan should actively participate in regional trade agreements like the South Asian Association for Regional Cooperation and the Economic Cooperation Organization to promote trade and investment within the region. Participating in international organizations and forums can provide a platform for Pakistan to voice its concerns and contribute to global governance.

In a nutshell, Pakistan, despite its rich history and cultural heritage, grapples with a myriad of challenges that hinder its progress. Internal issues such as political instability, rampant corruption, and a surge in terrorism have eroded public trust and hindered economic development, while the energy crisis and inflation have exacerbated social discontent. Addressing these multifaceted challenges require a comprehensive approach that prioritizes good governance, economic diversification, and regional cooperation. Only by fostering a stable and inclusive environment

can Pakistan realize its full potential and secure a prosperous future for its people.

As far as 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 in its acquisition. The earlier every Pakistani realizes it, the better it is.