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PATHWAYS TO PAKISTAN'S PROSPERITY

◦ Outline:

1- Introduction

Thesis Statement: Pakistan stands at critical cross-roads in terms of its broader outlook. To ensure lasting prosperity, some concrete measures must be undertaken across social, political, economic, and institutional spheres.

2- Pathways to Pakistan's Prosperity

2.1. Ensuring human development and human security reach the required threshold

Case in Point: (i) World Bank report indicates 7% increase in poverty level

(ii) Provision of basic necessities under Article 38(b) of the Constitution

2.2. Implementing constitutional guarantees across all domains

Case in Point: Enforcement of fundamental rights; Article

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25, and Article 25-A

2.3. Initiating the development programs to eradicate unemployment and inflation

Case in Point: (i) Pakistan Bureau of Statistics (PBS) highlight 7.7% increase in unemployment ratio

(ii) Case study of Singapore's knowledge-based economy

2.4. Revisiting the tax reforms to curb tax evasion and increase tax-to-GDP ratio

Case in Point: (i) World Bank's report indicate 20% Tax-to-GDP ratio

(ii) Case study of India

2.5. Revamping key institutions along with proactive preparation to manage during crisis situation

Case in Point: (i) Case study of Copenhagen

2.6. Improving governance and political stability at national level

Case in Point: Former Ambassador, Maleeha Lodhi's insight

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2.7. Addressing grievances of provinces
to ensure a balanced relationship
between the centre and
federating units

Case in Point: Need of renewed
NFC Awards and resolving the
issues of Khyber Pakhtunkhwa
and Balochistan

2.8. Integrating Artificial Intelligence
and technological innovation
into key national institutions

Case in Point: Case Study
of India

2.9. Reforming the judicial system
to ensure expeditious justice

Case in Point: Report of
Justice Project Pakistan (JPP)
indicates three million cases
backlog

2.10. Promoting gender equality
and a gender-safe environment
across all spheres

Case in Point: Farakh Naz
vs. Secretary Elementary
and Secondary Education
Department

2.11. Diversifying trade markets
to reduce excessive
dependence

Case in Point: Pakistan's Agreements
with the United States and
Saudi Arabia

2.22. Encouraging Foreign Direct
Investment (FDI) to promote
competitive markets

Case in Point: Case study
of India and Vietnam

3 - Conclusion

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In the words of the founder of Pakistan, Quaid-e-Azam Muhammad Ali Jinnah, "If we want to make this great State of Pakistan happy and prosperous, we should wholly and solely concentrate on the well-being of the people and especially of the masses and the poor."

This quotation well relates with the futuristic outlook of Pakistan as an ideal state, however, Pakistan falls short of the standard yardstick to be called as prosperous state. Pakistan has been naturally blessed with the great geographical location, weather and enormous resources. But the potential to utilize and materialize this nature's gift is missing which makes Pakistan stand at some far off position.

In the present context, global indicators showcase Pakistan's vulnerabilities in social, economic, and political spheres. In the backdrop of all these events; Pakistan, nonetheless, holds the potential to turn upside down the established trajectory and march towards betterment. Thus, in the broader context, Pakistan needs to ensure human development in compliance with constitutional guarantees. Furthermore, development programs aimed at ensuring economic growth and tax reforms

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serve the fundamental purpose of bringing transformation in a state. In addition to this, institutional revamping of key sectors and improving governance are also critical ^{areas} sectors that require attention. It is evident from the existing circumstances that Pakistan stands at critical crossroads in terms of its broader outlook. Hence, to ensure lasting prosperity, concrete measures must be undertaken across political, social, economic and institutional spheres.

The first and the foremost domain in this regard is human development. Ensuring human development and human security are the primary concerns for Pakistan to work on. It directly relates with the livelihood of an ordinary individual of Pakistan. Livelihood, similarly, is defined as the fulfilment of basic necessities of life including food, housing, and clothing etc. However, according to the report of World Bank; "there has been a rise in poverty level which is 25.3% currently and overall, it is 7% increase from the previous year." This is highlighted under "New World Bank Report: Reclaiming Momentum towards Prosperity." These figures indicate the sobering reality of

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Pakistan in terms of human security.

The Constitution of Pakistan, on the other hand, under Article 38(b) sets an outline for the state ^{to take appropriate measures} regarding provision of basic necessities to its citizens. Hence, in this way, human development can be ensured, and will meet the required needs.

Furthermore, constitutional guarantees hold the great significance in ensuring Pakistan's prosperity. These guarantees are called "vital" as they are enshrined under ^{the} chapter of "Fundamental Rights". Article (s) 25, and 25-A are the case in point.

The former ensures the equality of all citizens before the law, whereas the latter relates with ^{free and} compulsory education for the children aged between 5 to 16 years. The enforcement of these provisions is a major challenge in existing context.

Nonetheless, the rule of the law and education are core sectors on which the developed states have thrived and made progress.

Therefore, for the prosperity of Pakistan, the development of these areas is important.

Initiation of development programs, in the similar way, help in eradication of unemployment and inflation. These programs open up

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new avenues for the unemployed people and aid in managing inflation and increasing Gross Domestic Product (GDP) of a state. Pakistan Bureau of Statistics (PBS) has conducted a survey recently which has highlighted the grim state of ~~inflation~~ ^{unemployment} statistics i.e; 7.1%, which is also recorded as highest in last 21-years. However, Pakistan can learn from the example of "Singapore's Knowledge-based Economy", which is a state-initiated development program, aimed at attracting investment, promoting education and innovation along with Research and Development. Therefore, investing in development programs of similar nature will not only create opportunities but also foster creativity.

Another important sector is the tax reforms, which serves the dual purpose; improve Tax evasion and increase Tax-to-GDP ratio. This area presents a bleak picture, contributing majorly to the under-development of primary sectors. The report of World Bank indicates that the tax-to-GDP ratio in Pakistan is 20%, whereas Pakistan has the potential of 25%. On the other hand, there has been a narrow tax base in Pakistan, highlighting

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a gap of "7 trillion Rupees". This shows that a major crackdown on tax-related measures is the need of ^{the} hour to fill this huge void. In India, the Tax-to-GDP ratio is "28%" and it has been enhanced through AI-driven reforms. Hence, the tax sector in Pakistan can be reformed if it implements the reforms highlighted for this purpose.

Moreover, institutional reforms and pro-active preparation strategy during the crisis situation are integral in ensuring Pakistan's prosperity. Pakistan Disaster Management Authority (PDMA) is the major institution among all in this regard. If mapoly is driven on reactive, instead of pro-active approach, that inflicts huge damage. The floods of 2022 and 2025 are critical examples in this regard. It is evident from these events that not only ^{the} rural but also the urban areas have been severely damaged in socio-economic terms. This needs the structural revamping from central to local level to ensure better coordination at all three levels. It is important to quote the "case study of Copenhagen". It was hit by cloudburst in 2011, causing \$1 billion damage. In 2012, "Copenhagen Cloudburst

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Management Plan" was adopted, thereby preventing the country from further loss. This serves as the best example for Pakistan to first revamp the disaster management authority that could also propose and implement such substantial plans. In this way, Pakistan can prosper by avoiding the maximum loss.

Moving further, improved governance and political stability is directly linked to the prosperity of a state. They are inseparable and work in coordination with each other. Since the inception of Pakistan, it has undergone through various cycles of political instability in the country. This includes frequent regime changes, military coups, and abrogation of constitutions several times. It resultantly undermined the governance structure, or in other words, the working of state machinery. In the present context, the situation presents no different picture. It is marked by recurring governance failures, from micro to macro level. As Dr. Maleeha Lodhi writes, "The difference between successful states and struggling states is governance." Hence, improving governance and political stability in the state is a pre-condition for Pakistan's prosperity.

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This subsequently is followed by addressing the grievances among the provinces in the form of National Finance Commission (NFC) Awards. Provincial - Federal harmony is critical in this regard. Pakistan is a federation, with constitutionally guaranteed provincial autonomy. The 18th Amendment resolved the issues between centre and provinces regarding distribution of resources. However, there has been lack of satisfaction on part of some provinces, predominantly between 'Khyber Pakhtunkhwa' and 'Balochistan' due to inappropriate distribution of resources. Their claim is driven from the fact that the formula used to devise division of funds is unjust and unfair. This eventually results in resentment among those provinces, leading to absence of coordination. This necessitates the need of revised "NFC Award" based upon the rectified grievances for the progress of a state. In this way, not only the grievances will stand satisfied but also the development will be observed.

Furthermore, Artificial Intelligence and technology integration into key national institutions can serve the fundamental purpose. In the modern age, the world is advancing towards

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swift technological integration given the need of the time. Pakistan in order to walk on a road to prosperity need to adapt to these developments. Firstly, it can be the upgradation of Tax sector to avoid Tax evasion. Pakistan can learn from 'India's example' that has successfully decreased the rate of tax evasion by simply digitalizing the sector. Secondly, the crisis situation can effectively be averted by integrating 'Geographic Information Suervey (GIS)' during floods managment. This can help in early-warning system accompanied by risk-assessment of vulneable areas. Therefore, Artificial Intelligence and technology integration can minimize the loss as well as can help Pakistan to do better.

In addition to this, bringing reforms in the judicial system of Pakistan is another area to heed on. Judicial sector of any country is considered significant so that it is ensured that everyone is equal before the law. The reality, however, in Pakistan is opposite and the concept that "justice will be served timely" is severely undermined. The report of Justice Project Pakistan highlights these million cases backlog in the backdrop

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of nominal ^{number of} judges in the courts. Pakistan, on the other hand, should establish its foundation on concrete idea where justice is not only served effectively but also the expeditious justice is reinforced. For this, it requires the structural overhaul, including the recruitment of new judges to lessen the burden on existing judges. Therefore, the prosperity is ensured once the judicial sector works efficiently and effectively.

Gender equality and a gender safe environment, similarly, is important for the prosperity of a state. In Pakistan, the concept of gender equality is viewed through skeptical eyes, thereby it is widely discouraged. Pakistan is the most difficult state for women to survive as women are largely the victims of Gender-based Violence (GBV). Nevertheless, the Supreme Court of Pakistan in recent judgement, titled "Farakh Naz v. Secretary Elementary and Secondary Education Department" has declared the same employment opportunities for married daughter as that of married son under parents' government service quota. This is a landmark judgement authored by Justice Mansoor Ali Shah and upholds the principle of gender

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equality. This is a remarkable step taken on this path, however, the statistics of gender-based violence is another reality of the same side, which should not be ignored. Hence, upholding the gender equality across all domains is very important.

In the similar way, diversification of trade markets in Pakistan can prove effective and ensure prosperity. This is aimed to minimize the dependence on one sector of a country alone. The manifestation of this is "Pak-China relation" which shows that Pakistan is excessively dependent on it with respect to all domains. Thus, to diversify trade market, Pakistan has recently signed agreements with the United States, along with Saudi Arabia, which are viewed as welcoming steps. However, Pakistan can explore more options in the form of trade with regional trade partners, such as, Iran, and ^{other} Middle Eastern states. It is important to highlight that India has followed the same footsteps of exploring regional markets and has diversified its trade with China and Russia, thereby tilting away from US. Pakistan, for its ^{economic} well-being and prosperity, can incorporate the alike strategy. Hence, it will reduce the dependence of Pakistan on

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few states only.

Lastly, there is a need to encourage Foreign Direct Investment (FDI) in Pakistan. In recent decades, Pakistan has witnessed mass-level exodus of multi-national companies, giving it a major setback on this critical sector.

Firstly, the security situation needs to be improved in vulnerable areas like Gwadar and Khyber Pakhtunkhwa. Secondly, Pakistan needs to draft loose policies related to taxation and regulation so that the working of these companies can be made smooth in initial stage. Compared to its regional competitors, Pakistan has only able to attract 2.46% of FDI this year, whereas India's FDI stands at remarkable standing of "71%". Similarly, Vietnam has been able to secure 31.4% FDI, much higher than Pakistan. At this critical juncture, Pakistan needs to deliberate on its tight regulatory policies, along with learning from the examples of these states. Hence, by ensuring FDI in critical sectors, development will become far more easy and smooth.

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To conclude, Pakistan undoubtedly is at critical juncture regarding its outlook, across social, economic, political, and economic domains. However, unlike the situation in many countries, the future is neither bleak nor dim. Pakistan still holds on to the hope of making progress and prosperity in the existing circumstances, as it holds the potential to do so. The geographical location of Pakistan has been nature's greatest gift, which can be efficiently utilized in terms of trade, initiating development programs, and materializing the presence of natural resources. The recent manifestations of Pakistan offers a glittery future which can shape the trajectory of it collectively. This includes the significant agreements with the US and Saudi Arabia, which present great prospects for future. Similarly, it is equally important for Pakistan to learn from the drawbacks and incorporate the successful and workable strategies in its national and ^{international} sphere, based upon the examples of its regional peers. This is the only way through which Pakistan can march towards a prosperous and better future. As Confucius writes,

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"Study the past and you would
define the future."

