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Q NO: 04.

Population growth and its effects on socioeconomic climate

Population Growth:-

Population growth is an exponential increase in population resulting in population explosion. Population explosion means when a state population increases at such unprecedented level that state's own capacity fails to bear such huge number of individuals.

Scenario of Population of Pakistan.

According to the latest ~~corse~~ census of Pakistan - census-2023 - population count has marked 241.499 million. Pakistan's population growth rate is 2.2 per cent annually which means Pakistan is adding 6 million individuals annually which is highest growth rate in the region. As per population count Pakistan has marked fourth position at global stage. However, in 1960 Pakistan's population was 160 million.

Comparison of Pakistan and its regional states in Population growth.

Pakistan growth rate is 2.2 percent as recently studied by census 2023. Bangladesh population growth rate is 1.1 pc, India is 0.7 pc while that of China is 0.1 pc. So Pakistan is leading in population growth as compared to its neighbour and regional states.

Population Explosion - an unaddressed Issue :-

Population explosion which has become now a ticking bomb has never been addressed on priority basis by our policy makers. Most of the time population growth issue is considered as people's own issue or a religious or a least important one by our policymakers. Since with emergence of Pakistan and with passage of 70 years, we have reached a tipping point of population growth at now population which consist of 60 pc youth has become a liability rather than an asset.

Socio-economic impacts

a) Unemployment :-

Due to overpopulation, state has failed to accommodate its population in term of employment. Even unemployment ratio is more in educated class than uneducated one. Political instability

along with economic crisis, condition has further deteriorated. This unemployed class is now involved in illegal activities for meeting their ends

b) Food Insecurity:-

With rising inflation of 27 per cent, huge population of Pakistan is facing food insecurity both in term of unavailability of food and malnourishment. According to latest 22.1 million of children of Pakistan are malnourished.

c) Out of School children:-

With huge population growth we have not provide education to our all children. However according constitution of 1973 its 25A article asked for free and compulsory education upto 16 years of age. Acc. to World Bank Pakistan has more than 23 million children out of school. These uneducated, unskilled individuals would become a liability rather than asset in near future.

d) Crimes and lack of civic responsibilities

Pakistan is facing high level of social crimes including rape, theft, kidnapping, moral abuse and many more due to enhanced number of individuals than the carrying capacity of the state

e) Abysmal Social Indicators and Human Development:-

Pakistan is performing very poor on all social indicators of human development. Pakistan is ranked 162 out of 192 countries in terms of Human Development Index (HDI). On all contours of health, education, growth physical development, Pakistan is going very poor due to population burden. We have less resources in hand than no. of individuals to serve.

d) Mounting Debt and Social Welfare of Population:-

Pakistan owned huge amount of debt nearly \$146 billion dollars including both foreign and domestic. Tax collection by state consumed in debt servicing and the interest upon debt. The bleak scenario can be viewed from the fact that the tax collection this year after giving the provinces share, the center will remain with less amount than the interest of the debt we have to pay this year. Under such conditions, population welfare is no more at priority.

e) other impacts:-

Along with these other socio-economic impacts are

- Bulk of uneducated/educated youth with lack of skills
- Rising pressure on national exchequer
- Spread of epidemics
- Enhanced vulnerability to natural disasters.
- Civil unrest and crimes. etc.

QNO: 05

18 Amendment and Political Strain in Pakistan.

After the passage of 18th Amendment in 2010, the constitutional make up of 1973 had greatly changed. With other changes involved, prominent among them were:

- Abolition of concurrent list
- Transfer of all concurrent list powers to centers.
- Provinces' share in finance was fixed at not less than 7th NFC award
- Authorization of provinces to acquire loan.

These all led to strengthened the autonomy of provinces to ensure a strong federation in Pakistan. However, this autonomy of provinces has posed challenges to center

which are as follows.

Challenges facing center:-

After the passage of 18th Amendment, center has been faced challenges especially in terms of finance

As per 18th Amendment

Finance distribution:-

Finance distribution b/w center and provinces as per 18th Amendment, provinces share would not be less than that at 7th Nation Finance Commission (NFC) award which demonstrate shares as:

Provinces = 57.5%

Center = 42.5%

Financial challenges for center:-

→ Debt Servicing:-

Center has been facing mounting debt service pressure. Installments along with interest left the center debilitated. After giving share to provinces center is left with less than half of collection. So, to pay debt center has to get more debt from multilateral financial donors like IMF, WB and also from friendly states like UAE and Saudi Arabia from which center take financial aid.

Budget Deficit:-

Center has been facing Budget deficit more intensively since the passage of 18th Amendment. During Financial Year 2022 Pakistan had faced budget deficit 4.9% of GDP while in FY 2023 (April), now facing 4.6 of GDP. This budget deficit resultantly put pressure on center to acquire more loan.

Declining Federal Reserves:-

Federal government has historically marked lowest federal reserves which are less than \$3 billion. Federal reserves has drained out because of huge trade deficit owing to various imports and budget/fiscal deficit owing to less tax collection than state's expenditure. Despite imposing ban on selective imports, federal reserves have not grown appreciably.

Policy challenges:-

Federal government has faced many times policy implementation and policy making challenges due to enhanced autonomy of provinces especially in terms of health and education, which is completely under provincial control after 18th Amendment. During the COVID-19 center and provinces

especially Sindh were on diverged views regarding lockdown, thus weakening the strength of center in controlling the pandemic.

In Single National Curriculum (SNC) again center and provinces (Sindh) divided themselves on implementation.

In short power lies with province while responsibility lies with federal government.

Solution to resolve Challenges:-

18th amendment was the success of democracy along with federation strength in Pakistan.

So, challenges posed by it should be resolved through.

→ Resolving matters in Council of Common Interest (CCI)

→ Provinces as getting more share should play role in improving the subjects like education and health.

→ Debt servicing - a major challenge facing by federal government be resolved among by consensus among center and units.

QNO: 07

Pakistan's sustainable economic recovery is not linked with foreign aid but with political stability.

Pakistan is undergoing through economically abysmal situation with deteriorating federal reserves, mounting debt, huge fiscal and trade deficits along with soaring inflation, remarkable brain drain and civil unrest due to unemployment. This economic crisis is met with ongoing political instability evident from not conduction of timely elections, political polarization, institutional weakening. All this has further deteriorated the economic condition of Pakistan. This economic crises is largely due to following reasons:

Reasons behind economic crises.

- Much needed reforms regarding widening tax net, austerity policy have not been taken. results in less collection than expenditures.
- Lack of Export oriented industrialization led to poor exports results in trade deficit.

- Importation of luxurious items has resulted in trade deficit which has deteriorated the reserves.
- more dependency upon foreign imported fuel for energy production has caused inflation.
- weak Foreign Direct Investment (FDI) due to lack of ease of doing business and policy continuation.
- poor governance has resulted in untapping of natural resources.

All these economical quagmires has temporary and permanent solution: which are

- a) Foreign aid (temporary solution)
- b) Political stability (permanent solution)

Pakistan embarking upon foreign aid solution:-

Pakistan has long history of gaining foreign aid from global donors (IMF, WB) and from friendly countries to deal with the situation for a short time. We have borrowed both in terms of credit and oil in terms

of deferred payments from Saudi Arabia as well as UAE. but this has created:

Dependency Syndrome:-

Depending upon foreign aid to resolve its economic crises, Pakistan has suffered dependency syndrome. IMF has major role to play in our fiscal, monetary and even in our foreign policy making. We have remained in IMF programmes to deal with our huge debt and to meet our deficits of trade and budgets.

Political Stability Imperative For Economic Recovery:-

Pakistan's economic crisis can only be resolved when we will achieve economic & political stability.

Political stability is further depends upon:-

- Stable popular government
- Timely conduct of elections
- Strengthening of Institutions
- Civil-Military harmonized relations.
- Consensus of political parties on some basic rules essential for democracy to continue
- Independence of Judiciary
- Formation of local government
- Intra-party democracy.

Ensured political stability to take following steps for economic recovery:-

→ Multiple Reforms:-

Firstly there should be a popularly elected stable government through free and fair elections, then it would have to take reforms as World Bank has recently said, Pakistan's economic recovery not lies by adjusting budgets and IMF conditionalities but by

→ Widening tax net by encompassing the untax class capable of paying tax.

→ Implementation of effective tax net to eradicate tax evasions by influential businessman.

→ Revising the agreement with the IPP's which are getting amount in USD.

→ Taxed the Real state sector and agricultural sector

→ Political Stability for foreign investment:-

To capture foreign investment a stable government should made conducive environment for ease of doing business. A civil-military led (SIFC) special Investment Facilitation

Council for providing one window solution to foreign investor especially from the Gulf States. However, recently officials from WB has marked that a preferred protocol for preferred investors would not be as useful as creating a competitive environment for all.

→ Continuation of Policies:

Recovery of economy demands continuation of policies which can only be done by a politically stable government. While in Pakistan no premier minister has complete its 5-year terms resulting in political instability results in economic crises.

Conclusion:

In short run - Pakistan has to gain foreign aid to deal with currently going economic crises. But by getting aid and loan, the 'peace acquired through' it should be used by the sitting government to take much needed reforms of widening tax net strengthening institutions, improving governance which would only be done when Pakistan will attain political stability which then leads to economic stability.