

Pakistan's Economic Future: Can the Country Achieve Sustainable Growth?

Outline

1) Introduction

Despite going through the time of economic challenges, Pakistan's economic future is bright. The country can achieve sustainable growth by optimally utilizing its human capital, natural resources, and geostrategic location along with ^{technological} innovation and advancement.

2) Overview of Pakistan's Economy: Existing challenges

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Educational reforms
(Case in point: India's IIT-centres of Academic Excellence)

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Economic future of Pakistan is bright

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World has become a global village, and to survive in this global village economic dominance is the only way out for ^{the} states. Strength of economy determines the survival of the country. In this landscape of economic competition and dominance, the significance of strong economy is underscored, especially for the developing nations, like Pakistan. Pakistan's economic sector is facing wide range of challenges threatening the survival of the country. However, the future of Pakistan's economy still lies in the ways these challenges are tackled. Despite going through the times of economic challenges, Pakistan's economic future is bright. The country can achieve sustainable economic growth by optimally utilizing its human capital, natural resources and geostrategic location alongwith technological innovation and advancement. By integrating economy regionally and reforming economic sector domestically, the country can take its debilitated economy towards the path of sustainable growth.

Currently, the economic sector of Pakistan is facing dire challenges, making its survival difficult. From energy crisis to low ^{quality} production, ~~but~~ fiscal deficit and unstable economic policy, economic growth of Pakistan is hindered in various ways.

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Alongwith this, the security situation of the country is further making the economic progress difficult. Surge in terrorism directly impacts ^{foreign} investments in the country. Considering bleak security situation, investors get reluctant to invest and thus this effects directly straining the economic progress. Amidst the challenges like energy crisis, security issues, fiscal deficit and unstable economic policy; the survival and future of economic sector of Pakistan depends how the country utilizes its potentials and resources.

First of all, to achieve sustainable growth and promote economy of Pakistan, there is the need for investment to refine human capital of the country. Pakistan marks to be the fifth most populous country; however, the potential of its population hasn't been fully utilized. Education is lack of skill based education and dependence on rote learning is the reason behind unrefined and underutilized population potential of the country, which eventually is impacting economy. ^{Thus,} By promoting skill based education, a home grown economy can be realized boasting the stability and growth of economic sector of the country. The significance of home grown economy ~~and~~ via developed human capital ~~can be~~ is practically exemplified

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by India's Institutes of technology, producing exports in various fields of science and technology. However, in Pakistan, ~~local~~ ^{foreign} experts advise ^{on} and operate different sectors, highlighting the ~~the~~ ^{dire} need for investment in education and developing human capital, which is barely minimum.

Moving further, the opportunity for sustainable ^{economic} growth lies in bringing innovation and technology to the industrial and agricultural sectors of economy. The industrial sector of Pakistan depends mainly on foreign imports for manufacturing and processing of products, which ultimately increases the product cost and decreases its competitive value both nationally and internationally. The practical manifestation of which is stated by Pakistan's fan manufacturers in Lahore, who have cheap and skilled labor but due to dependence on imported parts for fan manufacturing, the ^{overall} costs of fans gets raised decreasing competitive advantage in the market. Likewise, is the case of agriculture sector of Pakistan. The ^{country's} agriculture sector, which contributes 20% to the country's GDP and employs more than 30% of workforce, has not yet realized its optimal potential, due to its reliance on outdated agricultural practices and infrastructure. These inherent

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in agriculture and industrial sectors of the country are the one of major contributing factors to its economic challenges.

By innovating these sectors with ~~advanced~~ ^{innovative} technologies, like advanced machinery ~~and tech~~ ~~for~~ remote sensing, geographic information system and modern operating procedures, the full potential of these sectors can be contributed to boost the economy of the country and realise sustainable growth.

Moreover, Pakistan can also leverage an its geostrategic position to reduced its economic struggles and progress toward ^{achieving} sustainable growth. By harnessing its potential ~~APEC~~ project CPEC and presenting itself as the trade transit country connecting landlock states, China, Middle East and South Asia ~~altogether~~ ^{altogether}. This trade transit geostrategic benefit can make Pakistan as hub of trade ^{activities}, attracting direct foreign investment and boosting infrastructural growth. Similarly Pakistan can use platforms like SCO to improve its security situation alongwith the economic connectivity. By taking benefits of platforms like Regional Anti Terrorist structure of SCO, Pakistan can improve its security issues, impeding its economic progress. Furthermore, the potential chance of Pakistan for BRICS membership also holds opportunities for

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economic progress and prosperity for Pakistan. Thus, by connecting regionally and utilizing geostrategic benefit, Pakistan can effectively reduce economic challenges and pursue the bright future in the realm of economy.

Alongwith this, the economic future of Pakistan lies in the economic reforms.

The countries major tax ^{revenue} collection is generated by indirect taxes, impeding sustainable growth. In addition to this, the loss making ~~publ~~ state owned enterprises also pose a burden to economic progress of the country. Facing these flawed taxation system and loss making state owned enterprises as factors hindering economic progress, demands the dire need of reforms in these areas for economy to flourish. Indirect taxes are regressive taxes perpetuating inequality and poverty.

Therefore a reforms aiming towards direct taxes ^{can} mark a significant step to realize economic prosperity. Likewise privatization of state owned enterprises is also the need of time, amidst the poor economic growth the country is faced with. Privatization will not only enhance the productivity and efficiency of the enterprises but it will also reduce the ^{budget's} burden used utilized to sustain these enterprises and attract direct foreign investment; eventually

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aiding economic progress. Thus economic reforms in taxation system and privatization of ^{loss making} state owned enterprises hold a significant ~~potential~~ potential for economic prosperity of the country.

Moving further, the economic diversification can also pose as a positive development to promote sustainable economic growth in the country. The major sector of Pakistan's economy is based on agricultural exports and some section of industrial ones. There lies a need for diversification of economic sector in order to achieve sustainable economy. One way forward to diversify economy of Pakistan is to ^{enhance} ~~add~~ IT based services/products. IT services, in terms of free trading, ~~one~~ of Pakistan are in their raw forms are still making space in international market. By regulating and streamlining IT based services/products, the economic sector can be greatly revolutioned and diversified, promoting progress along with innovation. Pakistan usually exports raw materials due to lack of ^{local} manufacturing and processing industries of advanced level. By setting industries locally along with investing and training human capital, the diversification

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of economic sector of Pakistan holds a promising future towards economic progress and sustainable growth.

Additionally, the underutilized renewable energy potential of the country making energy crisis a routine procedure, also impedes economic progress of the country. Over 100 industries have been closed in recent five years due to energy crisis, according to research report. This looming energy crisis exists because of dependence on imported fossil fuels and hydrocarbons to meet energy demands, and not fully utilizing renewable ^{energy} potential. Out of 60,000 MW available potential of hydroelectric, country uses only 10,000 MW. Along with this, the wind and nuclear power potential of the country is also underutilized. This underutilized renewable energy potential makes country dependent on expensive energy sources eventually impacting the quality and output of industrial products, and reducing efficiency in technological services. Thus, enhancing renewable potential serves as a significant aid in promoting economic growth and realizing sustainable growth development.

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Besides this, formation of stable economic policy and strengthening of state institutions in terms of governance and efficiency ~~also~~ can also alleviate the economic challenges of the country by promoting growth and stability. The country is marked usually with political instability, ~~impacting~~ with every changing political regime comes the new economic policy. This lack of economic regulatory framework and ~~policy~~ continuity of economic policy, poses economic landscape of the country as uncertain, ~~impacting~~ investment and growth of the sector. Furthermore, the institutional governance ~~of~~ is usually hindered by vices like corruption and political interference. This weak institutional ^{operational} framework also serves as a contributing factor in reducing efficiency and hindering growth of economic sectors. Thus, by framing a regulatory framework of stable ~~is~~ economic policy and strengthening institutional governance the bright future of economy of Pakistan can be realized.

Last but not the least, the economic progress of Pakistan is need to be ^{tailored} by designing climate resilient economic policies. As Pakistan,

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is 5th most at risk from climate change.

The ^{economic} cost of climate change and events brought about by it is enormous.

In floods of 2022, the country faced ~~net~~ economic loss of millions. Thus, being at hit list of climate ~~and~~ change driven ~~and~~ catastrophic events

~~and~~ Pakistan must draft its economic policies to be climate resilient. A proactive approach regarding climate change should be materialized to achieve sustainable economic growth.

In a nutshell, the economic progress of the country lies in tackling the challenges faced by the sector. In spite of its debilitating growth, the future of Pakistan's economic sector is bright, considering its significant potentials to revive its economic sector. If the human resources, along with natural resources are materialized efficiently, the path to sustainable development is guaranteed. By leveraging on regional cooperation and diversifying economy in various dimensions and strengthening governance institutions, the future of Pakistan's economy is promising.